

IA

Union Calendar No. 197

99TH CONGRESS
1ST SESSION

H. R. 3629

[Report No. 99-332]

Making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 24, 1985

Mr. ADDABBO, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the fiscal
- 5 year ending September 30, 1986, for military functions
- 6 administered by the Department of Defense, and for other
- 7 purposes, namely:

1 TITLE I
2 MILITARY PERSONNEL
3 MILITARY PERSONNEL, ARMY

4 For pay, allowances, individual clothing, subsistence, in-
5 terest on deposits, gratuities, permanent change of station
6 travel (including all expenses thereof for organizational
7 movements), and expenses of temporary duty travel between
8 permanent duty stations, for members of the Army on active
9 duty (except members of reserve components provided for
10 elsewhere), cadets, and aviation cadets; and for payments
11 pursuant to section 156 of Public Law 97-377, as amended
12 (42 U.S.C. 402 note), and to the Department of Defense
13 Military Retirement Fund; \$21,718,923,000.

14 MILITARY PERSONNEL, NAVY

15 For pay, allowances, individual clothing, subsistence, in-
16 terest on deposits, gratuities, permanent change of station
17 travel (including all expenses thereof for organizational
18 movements), and expenses of temporary duty travel between
19 permanent duty stations, for members of the Navy on active
20 duty (except members of the Reserve provided for else-
21 where), midshipmen, and aviation cadets; and for payments
22 pursuant to section 156 of Public Law 97-377, as amended
23 (42 U.S.C. 402 note), and to the Department of Defense
24 Military Retirement Fund; \$16,446,673,000.

1 **MILITARY PERSONNEL, MARINE CORPS**

2 For pay, allowances, individual clothing, subsistence, in-
3 terest on deposits, gratuities, permanent change of station
4 travel (including all expenses thereof for organizational
5 movements), and expenses of temporary duty travel between
6 permanent duty stations, for members of the Marine Corps on
7 active duty (except members of the Reserve provided for
8 elsewhere); and for payments pursuant to section 156 of
9 Public Law 97-377, as amended (42 U.S.C. 402 note), and
10 to the Department of Defense Military Retirement Fund;
11 \$5,025,377,000.

12 **MILITARY PERSONNEL, AIR FORCE**

13 For pay, allowances, individual clothing, subsistence, in-
14 terest on deposits, gratuities, permanent change of station
15 travel (including all expenses thereof for organizational
16 movements), and expenses of temporary duty travel between
17 permanent duty stations, for members of the Air Force on
18 active duty (except members of reserve components provided
19 for elsewhere), cadets, and aviation cadets; and for payments
20 pursuant to section 156 of Public Law 97-377, as amended
21 (42 U.S.C. 402 note), and to the Department of Defense
22 Military Retirement Fund; \$18,275,085,000.

23 **RESERVE PERSONNEL, ARMY**

24 For pay, allowances, clothing, subsistence, gratuities,
25 travel, and related expenses for personnel of the Army Re-

1 serve on active duty under sections 265, 3019, and 3033 of
2 title 10, United States Code, or while serving on active duty
3 under section 672(d) of title 10, United States Code, in con-
4 nection with performing duty specified in section 678(a) of
5 title 10, United States Code, or while undergoing reserve
6 training, or while performing drills or equivalent duty or
7 other duty, and for members of the Reserve Officers' Train-
8 ing Corps, and expenses authorized by section 2131 of title
9 10, United States Code, as authorized by law; and for pay-
10 ments to the Department of Defense Military Retirement
11 Fund; \$2,152,904,000.

12 **RESERVE PERSONNEL, NAVY**

13 For pay, allowances, clothing, subsistence, gratuities,
14 travel, and related expenses for personnel of the Naval Re-
15 serve on active duty under section 265 of title 10, United
16 States Code, or while serving on active duty under section
17 672(d) of title 10, United States Code, in connection with
18 performing duty specified in section 678(a) of title 10, United
19 States Code, or while undergoing reserve training, or while
20 performing drills or equivalent duty, and for members of the
21 Reserve Officers' Training Corps, and expenses authorized
22 by section 2131 of title 10, United States Code, as author-
23 ized by law; and for payments to the Department of Defense
24 Military Retirement Fund; \$1,296,023,000.

1 RESERVE PERSONNEL, MARINE CORPS

2 For pay, allowances, clothing, subsistence, gratuities,
3 travel, and related expenses for personnel of the Marine
4 Corps Reserve on active duty under section 265 of title 10,
5 United States Code, or while serving on active duty under
6 section 672(d) of title 10, United States Code, in connection
7 with performing duty specified in section 678(a) of title 10,
8 United States Code, or while undergoing reserve training, or
9 while performing drills or equivalent duty, and for members
10 of the Marine Corps platoon leaders class, and expenses au-
11 thorized by section 2131 of title 10, United States Code, as
12 authorized by law; and for payments to the Department of
13 Defense Military Retirement Fund; \$278,792,000.

14 RESERVE PERSONNEL, AIR FORCE

15 For pay, allowances, clothing, subsistence, gratuities,
16 travel, and related expenses for personnel of the Air Force
17 Reserve on active duty under sections 265, 8019, and 8033
18 of title 10, United States Code, or while serving on active
19 duty under section 672(d) of title 10, United States Code, in
20 connection with performing duty specified in section 678(a) of
21 title 10, United States Code, or while undergoing reserve
22 training, or while performing drills or equivalent duty or
23 other duty, and for members of the Air Reserve Officers'
24 Training Corps, and expenses authorized by section 2131 of
25 title 10, United States Code, as authorized by law; and for

1 payments to the Department of Defense Military Retirement
2 Fund; \$596,053,000.

3 NATIONAL GUARD PERSONNEL, ARMY

4 For pay, allowances, clothing, subsistence, gratuities,
5 travel, and related expenses for personnel of the Army Na-
6 tional Guard while on duty under section 265, 3033, or 3496
7 of title 10 or section 708 of title 32, United States Code, or
8 while serving on duty under section 672(d) of title 10 or sec-
9 tion 502(f) of title 32, United States Code, in connection with
10 performing duty specified in section 678(a) of title 10, United
11 States Code, or while undergoing training, or while perform-
12 ing drills or equivalent duty or other duty, and expenses
13 authorized by section 2131 of title 10, United States Code,
14 as authorized by law; and for payments to the Department of
15 Defense Military Retirement Fund; \$3,238,017,000.

16 NATIONAL GUARD PERSONNEL, AIR FORCE

17 For pay, allowances, clothing, subsistence, gratuities,
18 travel, and related expenses for personnel of the Air National
19 Guard on duty under section 265, 8033, or 8496 of title 10
20 or section 708 of title 32, United States Code, or while serv-
21 ing on duty under section 672(d) of title 10 or section 502(f)
22 of title 32, United States Code, in connection with perform-
23 ing duty specified in section 678(a) of title 10, United States
24 Code, or while undergoing training, or while performing drills
25 or equivalent duty or other duty, and expenses authorized by

1 section 2131 of title 10, United States Code, as authorized
2 by law; and for payments to the Department of Defense
3 Military Retirement Fund; \$953,004,000.

4 TITLE II

5 OPERATION AND MAINTENANCE

6 OPERATION AND MAINTENANCE, ARMY

7 For expenses, not otherwise provided for, necessary for
8 the operation and maintenance of the Army, as authorized by
9 law; and not to exceed \$12,642,000 can be used for emer-
10 gencies and extraordinary expenses, to be expended on the
11 approval or authority of the Secretary of the Army, and
12 payments may be made on his certificate of necessity for
13 confidential military purposes; \$18,659,638,000, of which
14 not less than \$1,471,600,000 shall be available only for the
15 maintenance of real property facilities.

16 OPERATION AND MAINTENANCE, NAVY

17 For expenses, not otherwise provided for, necessary for
18 the operation and maintenance of the Navy and the Marine
19 Corps, as authorized by law; and not to exceed \$3,079,000
20 can be used for emergencies and extraordinary expenses, to
21 be expended on the approval or authority of the Secretary of
22 the Navy, and payments may be made on his certificate of
23 necessity for confidential military purposes;
24 \$23,762,002,000, of which not less than \$770,000,000 shall
25 be available only for the maintenance of real property facili-

1 ties: *Provided*, That of the total amount of this appropriation
2 made available for the alteration, overhaul, and repair of
3 naval vessels, not more than \$3,650,000,000 shall be avail-
4 able for the performance of such work in Navy shipyards:
5 *Provided further*, That from the amounts of this appropria-
6 tion for the alteration, overhaul and repair of naval vessels,
7 funds shall be available for a test program to acquire the
8 overhaul of two or more vessels by competition between
9 public and private shipyards. The Secretary of the Navy shall
10 certify, prior to award of a contract under this test, that the
11 successful bid includes comparable estimates of all direct and
12 indirect costs for both public and private shipyards. Competi-
13 tion under such test program shall not be subject to section
14 502 of the Department of Defense Authorization Act, 1981,
15 as amended, or Office of Management and Budget Circu-
16 lar A-76: *Provided further*, That funds herein provided shall
17 be available for payments in support of the LEASAT pro-
18 gram in accordance with the terms of the Aide Memoire,
19 dated January 5, 1981: *Provided further*, That obligations
20 incurred or to be incurred hereafter for termination liability
21 and charter hire in connection with the TAKX and T-5 pro-
22 grams, for which the Navy has already entered into agree-
23 ment for charter and time charters including conversion or
24 construction related to such agreements or charters shall, for
25 the purposes of title 31, United States Code, (1) in regard to

1 and so long as the Government remains liable for termination
2 costs, be considered as obligations in the current Operation
3 and Maintenance, Navy, appropriation account, to be held in
4 reserve in the event such termination liability is incurred, in
5 an amount equal to 10 per centum of the outstanding termi-
6 nation liability, and (2) in regard to charter hire, be consid-
7 ered obligations in the Navy Industrial Fund with an amount
8 equal to the estimated charter hire for the then current fiscal
9 year recorded as an obligation against such fund. Obligations
10 of the Navy under such time charters are general obligations
11 of the United States secured by its full faith and credit.

12 OPERATION AND MAINTENANCE, MARINE CORPS

13 For expenses, not otherwise provided for, necessary for
14 the operation and maintenance of the Marine Corps, as au-
15 thorized by law; \$1,615,128,000, of which not less than
16 \$238,000,000 shall be available only for the maintenance of
17 real property facilities.

18 OPERATION AND MAINTENANCE, AIR FORCE

19 For expenses, not otherwise provided for, necessary for
20 the operation and maintenance of the Air Force, as author-
21 ized by law, including the lease and associated maintenance
22 of replacement aircraft for the CT-39 aircraft to the same
23 extent and manner as authorized for service contracts by sec-
24 tion 2306(g), title 10, United States Code; and not to exceed
25 \$5,556,000 can be used for emergencies and extraordinary

1 expenses, to be expended on the approval or authority of the
2 Secretary of the Air Force, and payments may be made on
3 his certificate of necessity for confidential military purposes;
4 \$19,507,672,000, of which not less than \$1,385,000,000
5 shall be available only for the maintenance of real property
6 facilities.

7 OPERATION AND MAINTENANCE, DEFENSE AGENCIES

8 For expenses, not otherwise provided for, necessary for
9 the operation and maintenance of activities and agencies of
10 the Department of Defense (other than the military depart-
11 ments), as authorized by law; \$7,340,076,000, of which not
12 to exceed \$11,117,000 can be used for emergencies and ex-
13 traordinary expenses, to be expended on the approval or au-
14 thority of the Secretary of Defense, and payments may be
15 made on his certificate of necessity for confidential military
16 purposes: *Provided*, That not less than \$91,147,000 shall be
17 available only for the maintenance of real property facilities.

18 OPERATION AND MAINTENANCE, ARMY RESERVE

19 For expenses, not otherwise provided for, necessary for
20 the operation and maintenance, including training, organiza-
21 tion, and administration, of the Army Reserve; repair of fa-
22 cilities and equipment; hire of passenger motor vehicles;
23 travel and transportation; care of the dead; recruiting; pro-
24 curement of services, supplies, and equipment; and communi-
25 cations; \$774,980,000, of which not less than \$49,865,000

11

1 shall be available only for the maintenance of real property
2 facilities.

3 **OPERATION AND MAINTENANCE, NAVY RESERVE**

4 For expenses, not otherwise provided for, necessary for
5 the operation and maintenance, including training, organiza-
6 tion, and administration, of the Navy Reserve; repair of fa-
7 cilities and equipment; hire of passenger motor vehicles;
8 travel and transportation; care of the dead; recruiting; pro-
9 curement of services, supplies, and equipment; and communi-
10 cations; \$896,415,000, of which not less than \$37,100,000
11 shall be available only for the maintenance of real property
12 facilities.

13 **OPERATION AND MAINTENANCE, MARINE CORPS**

14 **RESERVE**

15 For expenses, not otherwise provided for, necessary for
16 the operation and maintenance, including training, organiza-
17 tion, and administration, of the Marine Corps Reserve; repair
18 of facilities and equipment; hire of passenger motor vehicles;
19 travel and transportation; care of the dead; recruiting; pro-
20 curement of services, supplies, and equipment; and communi-
21 cations; \$57,120,000, of which not less than \$2,850,000
22 shall be available only for the maintenance of real property
23 facilities.

1 **OPERATION AND MAINTENANCE, AIR FORCE RESERVE**

2 For expenses, not otherwise provided for, necessary for
3 the operation and maintenance, including training, organiza-
4 tion, and administration, of the Air Force Reserve; repair of
5 facilities and equipment; hire of passenger motor vehicles;
6 travel and transportation; care of the dead; recruiting; pro-
7 curement of services, supplies, and equipment; and com-
8 munications; \$896,844,000, of which not less than
9 \$22,200,000 shall be available only for the maintenance of
10 real property facilities.

11 **OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD**

12 For expenses of training, organizing, and administering
13 the Army National Guard, including medical and hospital
14 treatment and related expenses in non-Federal hospitals;
15 maintenance, operation, and repairs to structures and facili-
16 ties; hire of passenger motor vehicles; personnel services in
17 the National Guard Bureau; travel expenses (other than mile-
18 age), as authorized by law for Army personnel on active
19 duty, for Army National Guard division, regimental, and bat-
20 talion commanders while inspecting units in compliance with
21 National Guard regulations when specifically authorized by
22 the Chief, National Guard Bureau; supplying and equipping
23 the Army National Guard as authorized by law; and expenses
24 of repair, modification, maintenance, and issue of supplies
25 and equipment (including aircraft); \$1,646,305,000, of which

1 not less than \$57,300,000 shall be available only for the
2 maintenance of real property facilities.

3 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

4 For operation and maintenance of the Air National
5 Guard, including medical and hospital treatment and related
6 expenses in non-Federal hospitals; maintenance, operation,
7 repair, and other necessary expenses of facilities for the train-
8 ing and administration of the Air National Guard, including
9 repair of facilities, maintenance, operation, and modification
10 of aircraft; transportation of things; hire of passenger motor
11 vehicles; supplies, materials, and equipment, as authorized by
12 law for the Air National Guard; and expenses incident to the
13 maintenance and use of supplies, materials, and equipment,
14 including such as may be furnished from stocks under the
15 control of agencies of the Department of Defense; travel ex-
16 penses (other than mileage) on the same basis as authorized
17 by law for Air National Guard personnel on active Federal
18 duty, for Air National Guard commanders while inspecting
19 units in compliance with National Guard regulations when
20 specifically authorized by the Chief, National Guard Bureau;
21 \$1,803,862,000, of which not less than \$37,000,000 shall be
22 available only for the maintenance of real property facilities.

1 NATIONAL BOARD FOR THE PROMOTION OF RIFLE
2 PRACTICE, ARMY

3 For the necessary expenses, in accordance with law, for
4 construction, equipment, and maintenance of rifle ranges; the
5 instruction of citizens in marksmanship; the promotion of rifle
6 practice; and the travel of rifle teams, military personnel, and
7 individuals attending regional, national, and international
8 competitions; not to exceed \$820,000, of which not to exceed
9 \$7,500 shall be available for incidental expenses of the Na-
10 tional Board; and from other funds provided in this Act, not
11 to exceed \$680,000 worth of ammunition may be issued
12 under authority of title 10, United States Code, section 4311:
13 *Provided*, That competitors at national matches under title
14 10, United States Code, section 4312, may be paid subsist-
15 ence and travel allowances in excess of the amounts provided
16 under title 10, United States Code, section 4313.

17 CLAIMS, DEFENSE

18 For payment, not otherwise provided for, of claims au-
19 thorized by law to be paid by the Department of Defense
20 (except for civil functions), including claims for damages aris-
21 ing under training contracts with carriers, and repayment of
22 amounts determined by the Secretary concerned, or officers
23 designated by him, to have been erroneously collected from
24 military and civilian personnel of the Department of Defense,

1 or from States, territories, or the District of Columbia, or
2 members of the National Guard units thereof; \$148,300,000.

3 COURT OF MILITARY APPEALS, DEFENSE

4 For salaries and expenses necessary for the United
5 States Court of Military Appeals; \$3,200,000, and not to
6 exceed \$1,500 can be used for official representation
7 purposes.

8 TENTH INTERNATIONAL PAN AMERICAN GAMES

9 For logistical support and personnel services (other than
10 pay and nontravel related allowances of members of the
11 Armed Forces of the United States, except for members of
12 the Reserve components thereof called or ordered to active
13 duty to provide support for the Tenth International Pan
14 American Games) provided by any component of the Depart-
15 ment of Defense to the Tenth International Pan American
16 Games; \$10,000,000.

17 ENVIRONMENTAL RESTORATION, DEFENSE

18 (TRANSFER OF FUNDS)

19 For the Department of Defense, \$329,100,000, to
20 remain available until transferred: *Provided*, That this
21 \$329,100,000 be derived by transfer from funds provided in
22 appropriations contained in titles II, III and IV of this Act:
23 *Provided further*, That the Secretary of Defense shall, upon
24 determining that such funds are required for environmental
25 restoration and hazardous waste disposal operations, reduc-

1 tion and recycling of hazardous wastes, research, develop-
2 ment and demonstration with respect to hazardous waste re-
3 duction, treatment, disposal, and management, or for similar
4 environmental restoration purposes (including programs and
5 operations at sites formerly used by the Department of De-
6 fense), transfer the funds made available by this appropriation
7 to other appropriations made available to the Department of
8 Defense as the Secretary may designate, to be merged with
9 and to be available for the same purposes and for the same
10 time period as the appropriations or funds to which trans-
11 ferred: *Provided further*, That upon a determination that all
12 or part of the funds transferred pursuant to this provision are
13 not necessary for the purposes provided herein, such amounts
14 may be transferred back to this appropriation.

15 TITLE III

16 PROCUREMENT

17 AIRCRAFT PROCUREMENT, ARMY

18 (INCLUDING TRANSFER OF FUNDS)

19 For construction, procurement, production, modification,
20 and modernization of aircraft, equipment, including ordnance,
21 ground handling equipment, spare parts, and accessories
22 therefor; specialized equipment and training devices; expan-
23 sion of public and private plants, including the land necessary
24 therefor, for the foregoing purposes, and such lands and inter-
25 ests therein, may be acquired, and construction prosecuted

17

1 thereon prior to approval of title; and procurement and instal-
2 lation of equipment, appliances, and machine tools in public
3 and private plants; reserve plant and Government and con-
4 tractor-owned equipment layaway; and other expenses neces-
5 sary for the foregoing purposes; \$3,337,300,000, and in addi-
6 tion, \$217,600,000 to be derived by transfer from "Aircraft
7 Procurement, Army, 1985/1987", to remain available for
8 obligation until September 30, 1988.

9 MISSILE PROCUREMENT, ARMY
10 (INCLUDING TRANSFER OF FUNDS)

11 For construction, procurement, production, modification,
12 and modernization of missiles, equipment, including ord-
13 nance, ground handling equipment, spare parts, and accesso-
14 ries therefor; specialized equipment and training devices; ex-
15 pansion of public and private plants, including the land neces-
16 sary therefor, for the foregoing purposes, and such lands and
17 interests therein, may be acquired, and construction prosecut-
18 ed thereon prior to approval of title; and procurement and
19 installation of equipment, appliances, and machine tools in
20 public and private plants; reserve plant and Government and
21 contractor-owned equipment layaway; and other expenses
22 necessary for the foregoing purposes, as follows:

23 Chaparral program, \$37,200,000;
24 Other Missile Support, \$5,000,000;
25 Patriot program, \$967,400,000;

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1 Stinger program, \$244,100,000;
2 Laser Hellfire program, \$250,700,000;
3 TOW program, \$181,300,000;
4 Pershing II program, \$334,700,000;
5 MLRS program, \$491,600,000, and in addition,
6 \$46,500,000, of which \$36,400,000 shall be derived
7 by transfer from "Missile Procurement, Army, 1985/
8 1987" and \$10,100,000 shall be derived by transfer
9 from "Missile Procurement, Army, 1984/1986";
10 Modification of missiles, \$222,000,000;
11 Spares and repair parts, \$312,000,000;
12 Support equipment and facilities, \$56,632,000;
13 And in addition, \$78,000,000 to be derived by
14 transfer from "Missile Procurement, Army, 1985/
15 1987";
16 In all: \$2,939,232,000, and in addition, \$124,500,000 to be
17 derived by transfer, to remain available for obligation until
18 September 30, 1988: *Provided*, That within the total amount
19 appropriated, the subdivisions within this appropriation shall
20 be reduced by \$163,400,000.

21 PROCUREMENT OF WEAPONS AND TRACKED COMBAT
22 VEHICLES, ARMY
23 (INCLUDING TRANSFER OF FUNDS)

24 For construction, procurement, production, and modifi-
25 cation of weapons and tracked combat vehicles, equipment,

1 including ordnance, spare parts and accessories therefor; spe-
2 cialized equipment and training devices; expansion of public
3 and private plants, including the land necessary therefor, for
4 the foregoing purposes, and such lands and interests therein
5 may be acquired, and construction prosecuted thereon prior
6 to approval of title; and procurement and installation of
7 equipment, appliances, and machine tools in public and
8 private plants; reserve plant and Government and contractor-
9 owned equipment layaway; and other expenses necessary for
10 the foregoing purposes; \$3,749,004,000, and in addition,
11 \$806,896,000, of which \$392,096,000 shall be derived by
12 transfer from "Procurement of Weapons and Tracked
13 Combat Vehicles, Army, 1984/1986" and \$414,800,000
14 shall be derived by transfer from "Procurement of Weapons
15 and Tracked Combat Vehicles, Army, 1985/1987", to
16 remain available for obligation until September 30, 1988.

17 **PROCUREMENT OF AMMUNITION, ARMY**

18 **(INCLUDING TRANSFER OF FUNDS)**

19 For construction, procurement, production, and modifi-
20 cation of ammunition, and accessories therefor; specialized
21 equipment and training devices; expansion of public and pri-
22 vate plants, including ammunition facilities authorized in
23 military construction authorization Acts or authorized by sec-
24 tion 2854, title 10, United States Code, and the land neces-
25 sary therefor, for the foregoing purposes, and such lands and

1 interests therein, may be acquired, and construction prosecut-
2 ed thereon prior to approval of title; and procurement and
3 installation of equipment, appliances, and machine tools in
4 public and private plants; reserve plant and Government and
5 contractor-owned equipment layaway; and other expenses
6 necessary for the foregoing purposes; \$1,858,200,000, and in
7 addition, \$215,200,000, of which \$30,000,000 shall be de-
8 rived by transfer from "Procurement of Ammunition, Army,
9 1984/1986" and \$185,200,000 shall be derived by transfer
10 from "Procurement of Ammunition, Army, 1985/1987", to
11 remain available for obligation until September 30, 1988.

12 **OTHER PROCUREMENT, ARMY**

13 **(INCLUDING TRANSFER OF FUNDS)**

14 For construction, procurement, production, and modifi-
15 cation of vehicles, including tactical, support, and nontracked
16 combat vehicles; the purchase of not to exceed two thousand
17 four hundred and sixty-four passenger motor vehicles for re-
18 placement only; communications and electronic equipment;
19 other support equipment; spare parts, ordnance, and accesso-
20 ries therefor; specialized equipment and training devices; ex-
21 pansion of public and private plants, including the land neces-
22 sary therefor, for the foregoing purposes, and such lands and
23 interests therein, may be acquired, and construction prose-
24 cuted thereon prior to approval of title; and procurement and
25 installation of equipment, appliances, and machine tools in

1 public and private plants; reserve plant and Government and
2 contractor-owned equipment layaway; and other expenses
3 necessary for the foregoing purposes, as follows:

4 Tactical and support vehicles, \$969,197,000, and
5 in addition, \$7,400,000, of which \$2,000,000 shall be
6 derived by transfer from "Other Procurement, Army,
7 1984/1986" and \$5,400,000 shall be derived by trans-
8 fer from "Other Procurement, Army, 1985/1987";

9 Communications and electronics equipment,
10 \$2,731,789,000, and in addition, \$39,600,000 to be
11 derived by transfer from "Other Procurement, Army,
12 1985/1987";

13 Other support equipment, \$1,272,100,000, and in
14 addition, \$12,400,000 to be derived by transfer from
15 "Other Procurement, Army, 1985/1987";

16 Non-centrally managed items, \$105,300,000;

17 And in addition, \$238,000,000, of which
18 \$79,000,000 shall be derived by transfer from "Other
19 Procurement, Army, 1984/1986" and \$159,000,000
20 shall be derived by transfer from "Other Procurement,
21 Army, 1985/1987";

22 In all: \$4,809,986,000, and in addition, \$297,400,000 to be
23 derived by transfer, to remain available for obligation until
24 September 30, 1988: *Provided*, That within the total amount

1 appropriated, the subdivisions within this appropriation shall
2 be reduced by \$268,400,000.

3 AIRCRAFT PROCUREMENT, NAVY
4 (INCLUDING TRANSFER OF FUNDS)

5 For construction, procurement, production, modification,
6 and modernization of aircraft, equipment including ordnance,
7 spare parts, and accessories therefor; specialized equipment;
8 expansion of public and private plants, including the land
9 necessary therefor, and such lands and interests therein, may
10 be acquired, and construction prosecuted thereon prior to ap-
11 proval of title; and procurement and installation of equip-
12 ment, appliances, and machine tools in public and private
13 plants; reserve plant and Government and contractor-owned
14 equipment layaway; \$10,446,400,000, and in addition,
15 \$594,600,000, of which \$40,000,000 shall be derived by
16 transfer from "Aircraft Procurement, Navy, 1984/1986"
17 and \$554,600,000 shall be derived by transfer from "Aircraft
18 Procurement, Navy, 1985/1987", to remain available for ob-
19 ligation until September 30, 1988: *Provided*, That
20 \$322,871,000 shall be available only for the procurement of
21 nine new P-3C anti-submarine warfare aircraft: *Provided*
22 *further*, That four P-3C aircraft shall be for the Naval
23 Reserve.

1 WEAPONS PROCUREMENT, NAVY
2 (INCLUDING TRANSFER OF FUNDS)

3 For construction, procurement, production, modification,
4 and modernization of missiles, torpedoes, other weapons, and
5 related support equipment including spare parts, and accesso-
6 ries therefor; expansion of public and private plants, including
7 the land necessary therefor, and such lands and interest
8 therein, may be acquired, and construction prosecuted there-
9 on prior to approval of title; and procurement and installation
10 of equipment, appliances, and machine tools in public and
11 private plants; reserve plant and Government and contractor-
12 owned equipment layaway, as follows:

13 Poseidon, \$5,001,000;
14 TRIDENT I, \$36,226,000;
15 TRIDENT II, \$581,986,000;
16 Support equipment and facilities, \$17,107,000;
17 Tomahawk, \$724,804,000;
18 AIM/RIM-7 F/M Sparrow, \$345,379,000;
19 AIM-9L/M Sidewinder, \$125,800,000;
20 AIM-54A/C Phoenix, \$250,700,000;
21 AIM-54A/C Phoenix advance procurement,
22 \$24,800,000;
23 AGM-84A Harpoon, \$314,873,000;
24 AGM-88A HARM, \$236,000,000;
25 SM-1 MR, \$17,738,000;

1 SM-2 MR, \$509,719,000;
2 SM-2 ER, \$312,235,000;
3 RAM, \$15,000,000;
4 Sidearm, \$20,500,000;
5 Hellfire, \$55,068,000;
6 Laser Maverick, \$173,458,000;
7 IIR Maverick, \$27,809,000;
8 Aerial targets, \$105,600,000;
9 Drones and decoys, \$29,400,000;
10 Other missile support, \$12,309,000;
11 Modification of missiles, \$64,933,000;
12 Support equipment and facilities, \$80,210,000;
13 Ordnance support equipment, \$16,289,000;
14 MK-48 ADCAP torpedo program, \$417,437,000;
15 MK-46 torpedo program, \$125,115,000;
16 MK-60 CAPTOR mine program, \$59,600,000;
17 MK-30 mobile target program, \$16,600,000;
18 MK-38 mini-mobile target program, \$3,499,000;
19 Antisubmarine rocket (ASROC) program,
20 \$15,551,000;
21 Modification of torpedoes, \$111,341,000, and in
22 addition, \$22,600,000 to be derived by transfer from
23 "Weapons Procurement, Navy, 1985/1987";
24 Torpedo support equipment program,
25 \$70,575,000;

25

1 MK-15 close-in weapons system program,

2 \$150,146,000;

3 MK-75 gun mount program, \$15,005,000;

4 MK-19 machine gun program, \$1,196,000;

5 25mm gun mount, \$5,501,000;

6 Small arms and weapons, \$11,305,000;

7 Modification of guns and gun mounts,

8 \$58,117,000;

9 Guns and gun mounts support equipment pro-
10 gram, \$1,200,000;

11 Spares and repair parts, \$166,601,000;

12 And in addition, \$87,000,000 to be derived by
13 transfer from "Weapons Procurement, Navy, 1985/
14 1987";

15 In all: \$5,093,733,000, and in addition, \$109,600,000 to be
16 derived by transfer, to remain available for obligation until
17 September 30, 1988: *Provided*, That within the total amount
18 appropriated, the subdivisions within this appropriation shall
19 be reduced by \$238,000,000.

20 SHIPBUILDING AND CONVERSION, NAVY

21 (INCLUDING TRANSFER OF FUNDS)

22 For expenses necessary for the construction, acquisition,
23 or conversion of vessels as authorized by law, including
24 armor and armament thereof, plant equipment, appliances,
25 and machine tools and installation thereof in public and pri-

1 vate plants; reserve plant and Government and contractor-
2 owned equipment layaway; procurement of critical, long
3 leadtime components and designs for vessels to be construct-
4 ed or converted in the future; and expansion of public and
5 private plants, including land necessary therefor, and such
6 lands and interests therein, may be acquired, and construc-
7 tion prosecuted thereon prior to approval of title, as follows:

8 TRIDENT ballistic missile submarine program,
9 \$1,064,900,000, and in addition, \$373,900,000 to be
10 derived by transfer from the TRIDENT ballistic mis-
11 sile submarine program of "Shipbuilding and Conver-
12 sion, Navy, 1983/1987", "Shipbuilding and Con-
13 version, Navy, 1984/1988", and "Shipbuilding and
14 Conversion, Navy, 1985/1989";

15 SSN-688 attack submarine program,
16 \$2,539,200,000, and in addition, \$159,200,000 to be
17 derived by transfer from the SSN-688 submarine pro-
18 gram of "Shipbuilding and Conversion, Navy, 1982/
19 1986", "Shipbuilding and Conversion, Navy, 1983/
20 1987", and "Shipbuilding and Conversion, Navy,
21 1984/1988";

22 Battleship reactivation program, \$469,000,000 to
23 be derived by transfer from the CVN nuclear aircraft
24 carrier program and the Craft and prior year programs
25 of "Shipbuilding and Conversion, Navy, 1982/1986"

27

1 and "Shipbuilding and Conversion, Navy, 1983/
2 1987";

3 Aircraft carrier service life extension program,
4 \$133,400,000;

5 CG-47 cruiser program, \$2,072,800,000, and in
6 addition, \$585,200,000 to be derived by transfer from
7 the CG-47 cruiser program of "Shipbuilding and
8 Conversion, Navy, 1982/1986", "Shipbuilding and
9 Conversion, Navy, 1983/1987", "Shipbuilding and
10 Conversion, Navy, 1984/1988", and "Shipbuilding
11 and Conversion, Navy, 1985/1989";

12 DDG-51 destroyer program, \$124,000,000 to be
13 derived by transfer from the DDG-51 destroyer pro-
14 gram of "Shipbuilding and Conversion, Navy, 1985/
15 1989": *Provided*, That none of the funds for the CG-
16 47 cruiser program and the DDG-51 destroyer pro-
17 gram are to be obligated or expended until the contract
18 awards for the SPY-1 radar, AEGIS combat system
19 integration, solid state frequency converters, propellers,
20 and vertical package/stores conveyors are awarded on
21 a competitive basis;

22 LSD-41 landing ship dock program,
23 \$384,500,000, and in addition, \$18,900,000 to be
24 derived by transfer from the LSD-41 landing ship dock
25 program of "Shipbuilding and Conversion, Navy,

1 1984/1988” and “Shipbuilding and Conversion, Navy,
2 1985/1989”;

3 LHD-1 amphibious assault ship program,
4 \$1,275,700,000, and in addition, \$37,900,000 to be
5 derived by transfer from the LHD-1 amphibious as-
6 sault ship program of “Shipbuilding and Conversion,
7 Navy, 1984/1988”;

8 MCM mine countermeasures ship program,
9 \$15,000,000;

10 MSH coastal mine hunter program,
11 \$184,500,000;

12 T-AO fleet oiler program, \$197,900,000, and in
13 addition, \$80,600,000 to be derived by transfer from
14 the T-AO fleet oiler program of “Shipbuilding and
15 Conversion, Navy, 1982/1986”, “Shipbuilding and
16 Conversion, Navy, 1983/1987”, “Shipbuilding and
17 Conversion, Navy, 1984/1988”, and “Shipbuilding
18 and Conversion, Navy, 1985/1989”;

19 T-AGOS ocean surveillance ship program,
20 \$60,900,000, and in addition, \$28,700,000 to be de-
21 rived by transfer from the T-AGOS ocean surveillance
22 ship program of “Shipbuilding and Conversion, Navy,
23 1985/1989”;

24 T-AG acoustic research program, \$40,000,000 to
25 be derived by transfer from the T-AGS ocean survey

1 ship program of "Shipbuilding and Conversion, Navy,
2 1985/1989";

3 MTSD nuclear reactor training ship conversion
4 program, \$26,500,000;

5 T-ACS auxiliary crane ship conversion program,
6 \$74,000,000, and in addition, \$8,500,000 to be de-
7 rived by transfer from the T-ACS auxiliary crane ship
8 conversion program of "Shipbuilding and Conversion,
9 Navy, 1985/1989";

10 T-AVB logistic support ship program,
11 \$26,900,000;

12 LCAC landing craft program, \$307,000,000;

13 Strategic sealift program, \$173,100,000, and in
14 addition, \$55,300,000 to be derived by transfer from
15 the Outfitting program of "Shipbuilding and Conver-
16 sion, Navy, 1982/1986" and "Shipbuilding and Con-
17 version, Navy, 1983/1987", the FFG-7 program of
18 "Shipbuilding and Conversion, Navy, 1982/1986", the
19 T-AKR program of "Shipbuilding and Conversion,
20 Navy, 1984/1988", and the T-AH program of "Ship-
21 building and Conversion, Navy, 1983/1987" and
22 "Shipbuilding and Conversion, Navy, 1984/1988";

23 Service craft program, \$41,800,000, and in addi-
24 tion, \$37,700,000 to be derived by transfer from the

1 Service craft program of "Shipbuilding and Conversion,
2 Navy, 1984/1988";

3 Landing craft program, \$11,000,000 to be derived
4 by transfer from the Service craft program of "Ship-
5 building and Conversion, Navy, 1984/1988";

6 Outfitting program, \$228,500,000;

7 Post delivery program, \$84,000,000, and in
8 addition, \$28,600,000 to be derived by transfer, from
9 the Post delivery program of "Shipbuilding and
10 Conversion, Navy, 1982/1986", "Shipbuilding and
11 Conversion, Navy, 1983/1987", "Shipbuilding and
12 Conversion, Navy, 1984/1988", and "Shipbuilding
13 and Conversion, Navy, 1985/1989";

14 In all: \$8,648,900,000, and in addition, \$2,058,500,000 to
15 be derived by transfer, to remain available for obligation until
16 September 30, 1990: *Provided*, That within the total amount
17 appropriated, the subdivisions within this appropriation shall
18 be reduced by \$241,700,000: *Provided further*, That addi-
19 tional obligations may be incurred after September 30, 1990,
20 for engineering services, tests, evaluations, and other such
21 budgeted work that must be performed in the final stage of
22 ship construction; and each Shipbuilding and Conversion,
23 Navy, appropriation that is currently available for such obli-
24 gations may also hereafter be so obligated after the date of its
25 expiration: *Provided further*, That none of the funds herein

1 provided for the construction or conversion of any naval
2 vessel to be constructed in shipyards in the United States
3 shall be expended in foreign shipyards for the construction of
4 major components of the hull or superstructure of such
5 vessel: *Provided further*, That none of the funds herein pro-
6 vided shall be used for the construction of any naval vessel in
7 foreign shipyards.

8 OTHER PROCUREMENT, NAVY

9 (INCLUDING TRANSFER OF FUNDS)

10 For procurement, production, and modernization of sup-
11 port equipment and materials not otherwise provided for,
12 Navy ordnance and ammunition (except ordnance for new
13 aircraft, new ships, and ships authorized for conversion); the
14 purchase of not to exceed nine hundred and twenty-four pas-
15 senger motor vehicles of which eight hundred and twenty-five
16 shall be for replacement only; expansion of public and private
17 plants, including the land necessary therefor, and such lands
18 and interests therein, may be acquired, and construction pros-
19 ecuted thereon prior to approval of title; and procurement
20 and installation of equipment, appliances, and machine tools
21 in public and private plants; reserve plant and Government
22 and contractor-owned equipment layaway, as follows:

23 Ship support equipment, \$910,840,000, and in
24 addition, \$13,966,000 to be derived by transfer from
25 "Other Procurement, Navy, 1985/1987";

1 Communications and electronics equipment,
2 \$2,057,202,000, and in addition, \$37,091,000, of
3 which \$4,470,000 shall be derived by transfer from
4 “Other Procurement, Navy, 1984/1986” and
5 \$32,621,000 shall be derived by transfer from “Other
6 Procurement, Navy, 1985/1987”;

7 Aviation support equipment, \$1,040,711,000;
8 Ordnance support equipment, \$1,337,722,000;
9 and in addition, \$37,368,000, of which \$1,320,000
10 shall be derived by transfer from “Other Procurement,
11 Navy, 1984/1986” and \$36,048,000 shall be derived
12 by transfer from “Other Procurement, Navy, 1985/
13 1987”;

14 Civil engineering support equipment,
15 \$221,558,000;

16 Supply support equipment, \$58,917,000;

17 Personnel and command support equipment,
18 \$375,943,000;

19 Spares and repair parts, \$279,838,000;

20 Non-centrally managed items, \$125,300,000;

21 And in addition, \$224,337,000, of which
22 \$70,000,000 shall be derived by transfer from “Other
23 Procurement, Navy, 1984/1986” and \$154,337,000
24 shall be derived by transfer from “Other Procurement,
25 Navy, 1985/1987”;

1 In all: \$5,682,694,000, and in addition, \$312,762,000 to be
2 derived by transfer, to remain available for obligation until
3 September 30, 1988: *Provided*, That within the total amount
4 appropriated, the subdivisions within this appropriation shall
5 be reduced by \$725,337,000.

6 PROCUREMENT, MARINE CORPS

7 (INCLUDING TRANSFER OF FUNDS)

8 For expenses necessary for the procurement, manufac-
9 ture, and modification of missiles, armament, ammunition,
10 military equipment, spare parts, and accessories therefor;
11 plant equipment, appliances, and machine tools, and installa-
12 tion thereof in public and private plants; reserve plant and
13 Government and contractor-owned equipment layaway; vehi-
14 cles for the Marine Corps, including purchase of not to
15 exceed two hundred and three passenger motor vehicles for
16 replacement only; and expansion of public and private plants,
17 including land necessary therefor, and such lands, and inter-
18 ests therein, may be acquired and construction prosecuted
19 thereon prior to approval of title; \$1,610,749,000, and in
20 addition, \$85,717,000 to be derived by transfer from "Pro-
21 curement, Marine Corps, 1985/1987", to remain available
22 for obligation until September 30, 1988.

1 AIRCRAFT PROCUREMENT, AIR FORCE

2 (INCLUDING TRANSFER OF FUNDS)

3 For construction, procurement, and modification of air-
4 craft and equipment, including armor and armament, special-
5 ized ground handling equipment, and training devices, spare
6 parts, and accessories therefor; specialized equipment; expan-
7 sion of public and private plants, Government-owned equip-
8 ment and installation thereof in such plants, erection of struc-
9 tures, and acquisition of land, for the foregoing purposes, and
10 such lands and interests therein, may be acquired, and con-
11 struction prosecuted thereon prior to approval of title; re-
12 serve plant and Government and contractor-owned equip-
13 ment layaway; and other expenses necessary for the forego-
14 ing purposes including rents and transportation of things;
15 \$20,722,700,000, and in addition, \$1,458,300,000, of which
16 \$367,000,000 shall be derived by transfer from "Aircraft
17 Procurement, Air Force, 1984/1986" and \$1,091,300,000
18 shall be derived by transfer from "Aircraft Procurement, Air
19 Force, 1985/1987", to remain available for obligation until
20 September 30, 1988: *Provided*, That none of the funds in this
21 Act may be obligated on B-1B bomber production contracts
22 if such contracts would cause the production portion of the
23 Air Force's \$20,500,000,000 estimate for the B-1B bomber
24 baseline costs expressed in fiscal year 1981 constant dollars
25 to be exceeded: *Provided further*, That the Secretary of the

1 Air Force shall establish during fiscal year 1986 a competi-
2 tion for the procurement of fighter aircraft to meet the re-
3 quirements of the Active and Reserve forces of the Air
4 Force; such competition shall be among all suitable aircraft;
5 and procurement of tactical fighter aircraft for the Air Force
6 for fiscal year 1986 shall be carried out in accordance with
7 all applicable provisions of law, including section 136a (relat-
8 ing to the Director of Operational Test and Evaluation), sec-
9 tion 139c (relating to independent cost estimates), and chap-
10 ter 137 (relating to competition in contracting), of title 10,
11 United States Code: *Provided further*, That \$20,000,000 ap-
12 propriated in fiscal year 1984 for procurement of C-130H
13 aircraft shall be available only to buy one additional C-130H
14 aircraft for the Air Force Reserve: *Provided further*, That
15 \$20,000,000 appropriated in fiscal year 1985 for procure-
16 ment of C-130H aircraft shall be available only to buy one
17 additional C-130H aircraft for the Air Force Reserve.

18 MISSILE PROCUREMENT, AIR FORCE

19 (INCLUDING TRANSFER OF FUNDS)

20 For construction, procurement, and modification of mis-
21 siles, spacecraft, rockets, and related equipment, including
22 spare parts and accessories therefor, ground handling equip-
23 ment, and training devices; expansion of public and private
24 plants, Government-owned equipment and installation there-
25 of in such plants, erection of structures, and acquisition of

1 land, for the foregoing purposes, and such lands and interests
2 therein, may be acquired and construction prosecuted thereon
3 prior to approval of title; reserve plant and Government and
4 contractor-owned equipment layaway; and other expenses
5 necessary for the foregoing purposes including rents and
6 transportation of things; \$8,043,527,000, and in addition,
7 \$155,000,000 to be derived by transfer from "Missile Pro-
8 curement, Air Force, 1985/1987", to remain available for
9 obligation until September 30, 1988: *Provided*, That the
10 number of MX missiles deployed at any time in existing Min-
11 uteman silos may not exceed 50, and that funds appropriated
12 by this or any other Act may not be used—

13 (1) to modify, or prepare for modification, more
14 than 50 existing Minuteman silos for the deployment of
15 MX missiles;

16 (2) to acquire basing sets to modify more than 50
17 existing Minuteman silos for the deployment of MX
18 missiles; or

19 (3) to procure long-lead items for the deployment
20 of more than 50 MX missiles:

21 *Provided further*, That unless a basing mode for the MX mis-
22 sile other than existing Minuteman silos is specifically author-
23 ized by legislation enacted after the date of the enactment of
24 this Act or the Department of Defense Authorization Act,

1 1986, whichever first occurs, after procurement of 50 MX
2 missiles for deployment in existing Minuteman silos—

3 (1) further procurement of MX missiles shall be
4 limited to those missiles necessary to support the oper-
5 ational test program and for the MX missile reliability
6 testing program; and

7 (2) during fiscal year 1987, depending upon the
8 most efficient production rate, from 12 to 21 MX
9 missiles should be procured for such purposes.

10 OTHER PROCUREMENT, AIR FORCE

11 (INCLUDING TRANSFER OF FUNDS)

12 For procurement and modification of equipment (includ-
13 ing ground guidance and electronic control equipment, and
14 ground electronic and communication equipment), and sup-
15 plies, materials, and spare parts therefor, not otherwise pro-
16 vided for; the purchase of not to exceed eight hundred and
17 forty-nine passenger motor vehicles of which eight hundred
18 and one shall be for replacement only; and expansion of
19 public and private plants, Government-owned equipment and
20 installation thereof in such plants, erection of structures, and
21 acquisition of land, for the foregoing purposes, and such lands
22 and interests therein, may be acquired, and construction pros-
23 ecuted thereon, prior to approval of title; reserve plant and
24 Government and contractor-owned equipment layaway, as
25 follows:

1 Munitions and associated equipment,
2 \$1,078,515,000, and in addition, \$10,800,000 to be
3 derived by transfer from "Other Procurement, Air
4 Force, 1985/1987";

5 Vehicular equipment, \$320,869,000;

6 Electronics and telecommunications equipment,
7 \$2,544,608,000, and in addition, \$8,858,000 to be de-
8 rived by transfer from "Other Procurement, Air Force,
9 1985/1987";

10 Other base maintenance and support equipment,
11 \$4,466,044,000;

12 Non-centrally managed items, \$54,700,000;

13 And in addition, \$327,818,000, of which
14 \$116,027,000 shall be derived by transfer from "Other
15 Procurement, Air Force, 1984/1986" and
16 \$211,791,000 shall be derived by transfer from "Other
17 Procurement, Air Force, 1985/1987";

18 In all: \$7,890,918,000, and in addition, \$347,476,000 to be
19 derived by transfer, to remain available for obligation until
20 September 30, 1988: *Provided*, That within the total amount
21 appropriated, the subdivisions within this appropriation shall
22 be reduced by \$573,818,000: *Provided further*, That no obli-
23 gation may be incurred for the procurement of 30mm armor
24 piercing ammunition unless there is component breakout for
25 the depleted uranium penetrator.

1 NATIONAL GUARD AND RESERVE EQUIPMENT

2 For procurement of aircraft, missiles, tracked combat
3 vehicles, ammunition, other weapons, and other procurement
4 for the reserve components of the Armed Forces, as follows:

5 Army National Guard, \$165,000,000;

6 Air National Guard, \$192,000,000, and in addi-
7 tion, \$8,000,000 to be derived by transfer from
8 "Aircraft Procurement, Air Force, 1985/1987";

9 Naval Reserve, \$45,000,000;

10 Marine Corps Reserve, \$60,000,000;

11 Air Force Reserve, \$120,000,000;

12 In all: \$582,000,000, and in addition, \$8,000,000 to be
13 derived by transfer, to remain available for obligation until
14 September 30, 1988.

15 PROCUREMENT, DEFENSE AGENCIES

16 (INCLUDING TRANSFER OF FUNDS)

17 For expenses of activities and agencies of the Depart-
18 ment of Defense (other than the military departments) neces-
19 sary for procurement, production, and modification of equip-
20 ment, supplies, materials, and spare parts therefor, not other-
21 wise provided for; the purchase of not to exceed four hundred
22 and ninety passenger motor vehicles of which two hundred
23 and fifty-one shall be for replacement only; expansion of
24 public and private plants, equipment, and installation thereof
25 in such plants, erection of structures, and acquisition of land

40

1 for the foregoing purposes, and such lands and interests
2 therein, may be acquired, and construction prosecuted there-
3 on prior to approval of title; reserve plant and Government
4 and contractor-owned equipment layaway; \$1,181,869,000,
5 and in addition, \$36,000,000, of which \$15,000,000 shall be
6 derived by transfer from "Procurement, Defense Agencies,
7 1984/1986" and \$21,000,000 shall be derived by transfer
8 from "Procurement, Defense Agencies, 1985/1987", to
9 remain available for obligation until September 30, 1988.

10

TITLE IV

11

RESEARCH, DEVELOPMENT, TEST, AND

12

EVALUATION

13

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION,

14

ARMY

15

(INCLUDING TRANSFER OF FUNDS)

16

For expenses necessary for basic and applied scientific
17 research, development, test, and evaluation, including main-
18 tenance, rehabilitation, lease, and operation of facilities and
19 equipment, as authorized by law; \$4,431,475,000, of which
20 \$20,000,000 is available only for completing development,
21 transitioning into low-rate initial production, and initial pro-
22 curement of shipsets required to arm UH-60 Blackhawk hel-
23 icopters with Hellfire missiles, and in addition, \$110,530,000
24 to be derived by transfer from "Research, Development,

41

1 Test, and Evaluation, Army, 1985/1986", to remain avail-
2 able for obligation until September 30, 1987.

3 RESEARCH, DEVELOPMENT, TEST, AND EVALUATION,

4 NAVY

5 (INCLUDING TRANSFER OF FUNDS)

6 For expenses necessary for basic and applied scientific
7 research, development, test, and evaluation, including main-
8 tenance, rehabilitation, lease, and operation of facilities and
9 equipment, as authorized by law; \$9,462,631,000, of which
10 \$17,523,000 is available only for the Low Cost Anti-
11 Radiation Seeker Program and \$5,500,000 is available only
12 for the Laser Articulating Robotic System, and in addition,
13 \$271,496,000 to be derived by transfer from "Research, De-
14 velopment, Test, and Evaluation, Navy, 1985/1986", to
15 remain available for obligation until September 30, 1987.

16 RESEARCH, DEVELOPMENT, TEST, AND EVALUATION,

17 AIR FORCE

18 (INCLUDING TRANSFER OF FUNDS)

19 For expenses necessary for basic and applied scientific
20 research, development, test, and evaluation, including main-
21 tenance, rehabilitation, lease, and operation of facilities and
22 equipment, as authorized by law; \$13,217,177,000, of which
23 \$17,613,000 is available only for the Low Cost Seeker Pro-
24 gram, and in addition, \$359,000,000 to be derived by trans-
25 fer from "Research, Development, Test, and Evaluation, Air

1 Force, 1985/1986", to remain available for obligation until
2 September 30, 1987.

3 RESEARCH, DEVELOPMENT, TEST, AND EVALUATION,
4 DEFENSE AGENCIES
5 (INCLUDING TRANSFER OF FUNDS)

6 For expenses of activities and agencies of the Depart-
7 ment of Defense (other than the military departments), neces-
8 sary for basic and applied scientific research, development,
9 test, and evaluation; advanced research projects as may be
10 designated and determined by the Secretary of Defense, pur-
11 suant to law; maintenance, rehabilitation, lease, and oper-
12 ation of facilities and equipment, as authorized by law;
13 \$5,943,038,000, of which \$1,000,000 provided for the Uni-
14 versity Research Initiative Program is available only for re-
15 search at the Oklahoma State University, Stillwater, Oklaho-
16 ma; and of which \$700,000 shall be available only for the
17 purpose of carrying out, through the National Research
18 Council of the National Academy of Sciences, a comprehen-
19 sive classified study to be submitted to the Appropriations
20 Committees of the House of Representatives and the Senate,
21 together with an unclassified version, no later than August
22 30, 1987, to determine the technological feasibility and impli-
23 cations, and the ability to survive and function despite a pre-
24 emptive attack by an aggressor possessing comparable tech-
25 nology, of the Strategic Defense Initiative Program; and in

1 addition, \$179,112,000 to be derived by transfer from "Re-
2 search, Development, Test, and Evaluation, Defense Agen-
3 cies, 1985/1986", to remain available for obligation until
4 September 30, 1987: *Provided*, That such amounts as may
5 be determined by the Secretary of Defense to have been
6 made available in other appropriations available to the De-
7 partment of Defense during the current fiscal year for pro-
8 grams related to advanced research may be transferred to
9 and merged with this appropriation to be available for the
10 same purposes and time period: *Provided further*, That such
11 amounts of this appropriation as may be determined by the
12 Secretary of Defense may be transferred to carry out the
13 purposes of advanced research to those appropriations for
14 military functions under the Department of Defense which
15 are being utilized for related programs to be merged with and
16 to be available for the same time period as the appropriation
17 to which transferred.

18 DIRECTOR OF TEST AND EVALUATION, DEFENSE

19 For expenses, not otherwise provided for, of independ-
20 ent activities of the Director of Defense Test and Evaluation
21 in the direction and supervision of test and evaluation, includ-
22 ing initial operational testing and evaluation; and perform-
23 ance of joint testing and evaluation; and administrative ex-
24 penses in connection therewith; \$93,500,000, to remain
25 available for obligation until September 30, 1987.

44

1 TITLE V

2 SPECIAL FOREIGN CURRENCY PROGRAM

3 For payment in foreign currencies which the Treasury
4 Department determines to be excess to the normal require-
5 ments of the United States for expenses in carrying out pro-
6 grams of the Department of Defense, as authorized by law;
7 \$2,100,000, to remain available for obligation until Septem-
8 ber 30, 1987: *Provided*, That this appropriation shall be
9 available in addition to other appropriations to such Depart-
10 ment, for payments in the foregoing currencies.

11 TITLE VI

12 REVOLVING AND MANAGEMENT FUNDS

13 ARMY STOCK FUND

14 For the Army stock fund; \$393,000,000.

15 NAVY STOCK FUND

16 For the Navy stock fund; \$616,500,000.

17 MARINE CORPS STOCK FUND

18 For the Marine Corps stock fund; \$37,700,000.

19 AIR FORCE STOCK FUND

20 For the Air Force stock fund; \$415,900,000.

21 DEFENSE STOCK FUND

22 For the Defense stock fund; \$149,700,000.

1

TITLE VII

2

RELATED AGENCIES

3

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND

4

DISABILITY SYSTEM FUND

5

6 For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; \$101,400,000.

9

INTELLIGENCE COMMUNITY STAFF

10

11 For necessary expenses of the Intelligence Community Staff; \$22,083,000.

12

TITLE VIII

13

GENERAL PROVISIONS

14

15 SEC. 8001. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

22

23 SEC. 8002. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

1 SEC. 8003. During the current fiscal year, the Secre-
2 tary of Defense and the Secretaries of the Army, Navy, and
3 Air Force, respectively, if they should deem it advantageous
4 to the national defense, and if in their opinions the existing
5 facilities of the Department of Defense are inadequate, are
6 authorized to procure services in accordance with section
7 3109 of title 5, United States Code, under regulations pre-
8 scribed by the Secretary of Defense, and to pay in connection
9 therewith travel expenses of individuals, including actual
10 transportation and per diem in lieu of subsistence while trav-
11 eling from their homes or places of business to official duty
12 stations and return as may be authorized by law: *Provided,*
13 That such contracts may be renewed annually.

14 SEC. 8004. During the current fiscal year, provisions of
15 law prohibiting the payment of compensation to, or employ-
16 ment of, any person not a citizen of the United States shall
17 not apply to personnel of the Department of Defense.

18 SEC. 8005. Appropriations for the Department of De-
19 fense for the current fiscal year and hereafter shall be avail-
20 able for: (a) expenses in connection with administration of
21 occupied areas; (b) payment of rewards as authorized for the
22 Navy by section 7209(a) of title 10, United States Code, for
23 information leading to the discovery of missing naval proper-
24 ty or the recovery thereof; (c) payment of deficiency judg-
25 ments and interests thereon arising out of condemnation pro-

1 ceedings; (d) leasing of buildings and facilities including pay-
2 ment of rentals for special purpose space at the seat of gov-
3 ernment, and in the conduct of field exercises and maneuvers
4 or, in administering the provisions of the Act of July 9, 1942
5 (56 Stat. 654; 43 U.S.C. 315q), rentals may be paid in ad-
6 vance; (e) payments under contracts for maintenance of tools
7 and facilities for twelve months beginning at any time during
8 the fiscal year; (f) maintenance of defense access roads certi-
9 fied as important to national defense in accordance with sec-
10 tion 210 of title 23, United States Code; (g) the purchase of
11 milk for enlisted personnel of the Department of Defense
12 heretofore made available pursuant to section 202 of the Ag-
13 ricultural Act of 1949 (7 U.S.C. 1446a), and the cost of milk
14 so purchased, as determined by the Secretary of Defense,
15 shall be included in the value of the commuted ration; (h)
16 payments under leases for real or personal property, includ-
17 ing maintenance thereof when contracted for as a part of the
18 lease agreement, for twelve months beginning at any time
19 during the fiscal year; (i) the purchase of right-hand-drive
20 vehicles not to exceed \$12,000 per vehicle; (j) payment of
21 unusual cost overruns incident to ship overhaul, maintenance,
22 and repair for ships inducted into industrial fund activities or
23 contracted for in prior fiscal years: *Provided*, That the Secre-
24 tary of Defense shall notify the Congress promptly prior to
25 obligation of any such payments; (k) payments from annual

1 appropriations to industrial fund activities and/or under con-
2 tract for changes in scope of ship overhaul, maintenance, and
3 repair after expiration of such appropriations, for such work
4 either inducted into the industrial fund activity or contracted
5 for in that fiscal year; and (l) payments for depot maintenance
6 contracts for twelve months beginning at any time during the
7 fiscal year.

8 SEC. 8006. Appropriations for the Department of De-
9 fense for the current fiscal year and hereafter shall be avail-
10 able for: (a) military courts, boards, and commissions; (b) util-
11 ity services for buildings erected at private cost, as author-
12 ized by law, and buildings on military reservations authorized
13 by regulations to be used for welfare and recreational pur-
14 poses; and (c) exchange fees, and losses in the accounts of
15 disbursing officers or agents in accordance with law.

16 SEC. 8007. The Secretary of Defense and each purchas-
17 ing and contracting agency of the Department of Defense
18 shall assist American small and minority-owned business to
19 participate equitably in the furnishing of commodities and
20 services financed with funds appropriated under this Act by
21 increasing, to an optimum level, the resources and number of
22 personnel jointly assigned to promoting both small and mi-
23 nority business involvement in purchases financed with funds
24 appropriated herein, and by making available or causing to be
25 made available to such businesses, information, as far in ad-

1 vance as possible, with respect to purchases proposed to be
2 financed with funds appropriated under this Act, and by as-
3 sisting small and minority business concerns to participate
4 equitably as subcontractors on contracts financed with funds
5 appropriated herein, and by otherwise advocating and provid-
6 ing small and minority business opportunities to participate in
7 the furnishing of commodities and services financed with
8 funds appropriated by this Act.

9 SEC. 8008. No part of any appropriation contained in
10 this Act shall remain available for obligation beyond the
11 current fiscal year unless expressly so provided herein.

12 SEC. 8009. During the current fiscal year and hereafter:
13 (a) The President may exempt appropriations, funds,
14 and contract authorizations, available for military functions
15 under the Department of Defense, from the provisions of sec-
16 tion 1512 of title 31, United States Code, whenever he
17 deems such action to be necessary in the interest of national
18 defense.

19 (b) Upon determination by the President that such
20 action is necessary, the Secretary of Defense is authorized to
21 provide for the cost of an airborne alert as an excepted ex-
22 pense in accordance with the provisions of section 3732 of
23 the Revised Statutes (41 U.S.C. 11).

24 (c) Upon determination by the President that it is neces-
25 sary to increase the number of military personnel on active

1 duty subject to existing laws beyond the number for which
2 funds are provided in this Act, the Secretary of Defense is
3 authorized to provide for the cost of such increased military
4 personnel, as an excepted expense in accordance with the
5 provisions of section 3732 of the Revised Statutes (41
6 U.S.C. 11).

7 (d) The Secretary of Defense shall immediately advise
8 Congress of the exercise of any authority granted in this sec-
9 tion, and shall report monthly on the estimated obligations
10 incurred pursuant to subsections (b) and (c).

11 SEC. 8010. No part of the appropriations in this Act
12 shall be available for any expense of operating aircraft under
13 the jurisdiction of the armed forces for the purpose of profi-
14 ciency flying, as defined in Department of Defense Directive
15 1340.4, except in accordance with regulations prescribed by
16 the Secretary of Defense. Such regulations (1) may not re-
17 quire such flying except that required to maintain proficiency
18 in anticipation of a member's assignment to combat oper-
19 ations and (2) such flying may not be permitted in cases of
20 members who have been assigned to a course of instruction of
21 ninety days or more.

22 SEC. 8011. No part of any appropriation contained in
23 this Act shall be available for expense of transportation,
24 packing, crating, temporary storage, drayage, and unpacking

1 of household goods and personal effects in any one shipment
2 having a net weight in excess of eighteen thousand pounds.

3 SEC. 8012. During the current fiscal year and hereafter,
4 vessels under the jurisdiction of the Department of Transpor-
5 tation, the Department of the Army, the Department of the
6 Air Force, or the Department of the Navy may be trans-
7 ferred or otherwise made available without reimbursement to
8 any such agencies upon the request of the head of one agency
9 and the approval of the agency having jurisdiction of the
10 vessels concerned.

11 SEC. 8013. Not more than 20 per centum of the appro-
12 priations in this Act which are limited for obligation during
13 the current fiscal year shall be obligated during the last two
14 months of the fiscal year: *Provided*, That this section shall
15 not apply to obligations for support of active duty training of
16 civilian components or summer camp training of the Reserve
17 Officers' Training Corps, or the National Board for the
18 Promotion of Rifle Practice, Army, or to the appropriations
19 provided in this Act for Claims, Defense.

20 SEC. 8014. During the current fiscal year the agencies
21 of the Department of Defense may accept the use of real
22 property from foreign countries for the United States in ac-
23 cordance with mutual defense agreements or occupational ar-
24 rangements and may accept services furnished by foreign
25 countries as reciprocal international courtesies or as services

1 customarily made available without charge; and such agen-
2 cies may use the same for the support of the United States
3 forces in such areas without specific appropriation therefor.

4 In addition to the foregoing, agencies of the Department
5 of Defense may accept real property, services, and commod-
6 ities from foreign countries for the use of the United States in
7 accordance with mutual defense agreements or occupational
8 arrangements and such agencies may use the same for the
9 support of the United States forces in such areas, without
10 specific appropriations therefor: *Provided*, That the foregoing
11 authority shall not be available for the conversion of heating
12 plants from coal to oil at defense facilities in Europe:
13 *Provided further*, That within thirty days after the end of
14 each quarter the Secretary of Defense shall render to Con-
15 gress and to the Office of Management and Budget a full
16 report of such property, supplies, and commodities received
17 during such quarter.

18 SEC. 8015. During the current fiscal year and hereafter,
19 appropriations available to the Department of Defense for re-
20 search and development may be used for the purposes of sec-
21 tion 2353 of title 10, United States Code, and for purposes
22 related to research and development for which expenditures
23 are specifically authorized in other appropriations of the
24 Service concerned.

1 SEC. 8016. No part of any appropriation contained in
2 this Act, except for small purchases in amounts not exceed-
3 ing \$10,000 shall be available for the procurement of any
4 article of food, clothing, cotton, woven silk or woven silk
5 blends, spun silk yarn for cartridge cloth, synthetic fabric or
6 coated synthetic fabric, or wool (whether in the form of fiber
7 or yarn or contained in fabrics, materials, or manufactured
8 articles), or specialty metals including stainless steel flat-
9 ware, or hand or measuring tools, not grown, reprocessed,
10 reused, or produced in the United States or its possessions,
11 except to the extent that the Secretary of the Department
12 concerned shall determine that satisfactory quality and suffi-
13 cient quantity of any articles of food or clothing or any form
14 of cotton, woven silk and woven silk blends, spun silk yarn
15 for cartridge cloth, synthetic fabric or coated synthetic fabric,
16 wool, or specialty metals including stainless steel flatware,
17 grown, reprocessed, reused, or produced in the United States
18 or its possessions cannot be procured as and when needed at
19 United States market prices and except procurements outside
20 the United States in support of combat operations, procure-
21 ments by vessels in foreign waters, and emergency procure-
22 ments or procurements of perishable foods by establishments
23 located outside the United States for the personnel attached
24 thereto: *Provided*, That nothing herein shall preclude the
25 procurement of specialty metals or chemical warfare protec-

1 tive clothing produced outside the United States or its pos-
2 sessions when such procurement is necessary to comply with
3 agreements with foreign governments requiring the United
4 States to purchase supplies from foreign sources for the pur-
5 poses of offsetting sales made by the United States Govern-
6 ment or United States firms under approved programs serv-
7 ing defense requirements or where such procurement is nec-
8 essary in furtherance of the standardization and interoperabil-
9 ity of equipment requirements within NATO so long as such
10 agreements with foreign governments comply, where applica-
11 ble, with the requirements of section 36 of the Arms Export
12 Control Act and with section 2457 of title 10, United States
13 Code: *Provided further*, That nothing herein shall preclude
14 the procurement of foods manufactured or processed in the
15 United States or its possessions: *Provided further*, That no
16 funds herein appropriated shall be used for the payment of a
17 price differential on contracts hereafter made for the purpose
18 of relieving economic dislocations: *Provided further*, That
19 none of the funds appropriated in this Act shall be used
20 except that, so far as practicable, all contracts shall be
21 awarded on a formally advertised competitive bid basis to the
22 lowest responsible bidder.

23 SEC. 8017. During the current fiscal year, appropria-
24 tions available to the Department of Defense for pay of civil-
25 ian employees shall be available for uniforms, or allowances

1 therefor, as authorized by section 5901 of title 5, United
2 States Code.

3 SEC. 8018. Funds provided in this Act for legislative
4 liaison activities of the Department of the Army, the Depart-
5 ment of the Navy, the Department of the Air Force, and the
6 Office of the Secretary of Defense shall not exceed
7 \$12,934,000 for the current fiscal year: *Provided*, That this
8 amount shall be available for apportionment to the Depart-
9 ment of the Army, the Department of the Navy, the Depart-
10 ment of the Air Force, and the Office of the Secretary of
11 Defense as determined by the Secretary of Defense: *Provided*
12 *further*, That costs for military retired pay accrual shall be
13 included within this limitation.

14 SEC. 8019. Of the funds made available by this Act for
15 the services of the Military Airlift Command, \$100,000,000
16 shall be available only for procurement of commercial trans-
17 portation service from carriers participating in the civil re-
18 serve air fleet program; and the Secretary of Defense shall
19 utilize the services of such carriers which qualify as small
20 businesses to the fullest extent found practicable: *Provided*,
21 That the Secretary of Defense shall specify in such procure-
22 ment, performance characteristics for aircraft to be used
23 based upon modern aircraft operated by the civil reserve air
24 fleet.

1 (TRANSFER OF FUNDS)

2 SEC. 8020. Upon determination by the Secretary of De-
3 fense that such action is necessary in the national interest, he
4 may, with the approval of the Office of Management and
5 Budget, transfer not to exceed \$1,200,000,000 of working
6 capital funds of the Department of Defense or funds made
7 available in this Act to the Department of Defense for mili-
8 tary functions (except military construction) between such ap-
9 propriations or funds or any subdivision thereof, to be merged
10 with and to be available for the same purposes, and for the
11 same time period, as the appropriation or fund to which
12 transferred: *Provided*, That such authority to transfer may
13 not be used unless for higher priority items, based on unfore-
14 seen military requirements, than those for which originally
15 appropriated and in no case where the item for which funds
16 are requested has been denied by Congress: *Provided further*,
17 That the Secretary of Defense shall notify the Congress
18 promptly of all transfers made pursuant to this authority.

19 (TRANSFER OF FUNDS)

20 SEC. 8021. During the current fiscal year, cash bal-
21 ances in working capital funds of the Department of Defense
22 established pursuant to section 2208 of title 10, United
23 States Code, may be maintained in only such amounts as are
24 necessary at any time for cash disbursements to be made
25 from such funds: *Provided*, That transfers may be made be-
26 tween such funds in such amounts as may be determined by

1 the Secretary of Defense, with the approval of the Office of
2 Management and Budget, except that transfers between a
3 stock fund account and an industrial fund account may not be
4 made unless the Secretary of Defense has notified the Con-
5 gress of the proposed transfer. Except in amounts equal to
6 the amounts appropriated to working capital funds in this
7 Act, no obligations may be made against a working capital
8 fund to procure war reserve material inventory, unless the
9 Secretary of Defense has notified the Congress prior to any
10 such obligation.

11 SEC. 8022. None of the funds available to the Depart-
12 ment of Defense shall be utilized for the conversion of heat-
13 ing plants from coal to oil at defense facilities in Europe.

14 SEC. 8023. No part of the funds in this Act shall be
15 available to prepare or present a request to the Committees
16 on Appropriations for reprogramming of funds, unless for
17 higher priority items, based on unforeseen military require-
18 ments, than those for which originally appropriated and in no
19 case where the item for which reprogramming is requested has
20 been denied by the Congress.

21 SEC. 8024. None of the funds contained in this Act
22 available for the Civilian Health and Medical Program of the
23 Uniformed Services under the provisions of section 1079(a) of
24 title 10, United States Code, shall be available for reimburse-
25 ment of any physician or other authorized individual provider

1 of medical care in excess of the eightieth percentile of the
2 customary charges made for similar services in the same lo-
3 cality where the medical care was furnished, as determined
4 for physicians in accordance with section 1079(h) of title 10,
5 United States Code.

6 SEC. 8025. No appropriation contained in this Act may
7 be used to pay for the cost of public affairs activities of the
8 Department of Defense in excess of \$42,888,000: *Provided*,
9 That costs for military retired pay accrual shall be included
10 within this limitation.

11 SEC. 8026. None of the funds provided in this Act shall
12 be available for the planning or execution of programs which
13 utilize amounts credited to Department of Defense appropria-
14 tions or funds pursuant to the provisions of section 37(a) of
15 the Arms Export Control Act representing payment for the
16 actual value of defense articles specified in section 21(a)(1) of
17 that Act: *Provided*, That such amounts shall be credited to
18 the Special Defense Acquisition Fund, as authorized by law,
19 or, to the extent not so credited shall be deposited in the
20 Treasury as miscellaneous receipts as provided in section
21 3302(b) of title 31, United States Code.

22 SEC. 8027. No appropriation contained in this Act shall
23 be available to fund any costs of a Senior Reserve Officers'
24 Training Corps unit—except to complete training of person-
25 nel enrolled in Military Science 4—which in its junior year

1 class (Military Science 3) has for the four preceding academic
2 years, and as of September 30, 1983, enrolled less than (a)
3 seventeen students where the institution prescribes a four-
4 year or a combination four- and two-year program; or (b)
5 twelve students where the institution prescribes a two-year
6 program: *Provided*, That, notwithstanding the foregoing limi-
7 tation, funds shall be available to maintain one Senior Re-
8 serve Officers' Training Corps unit in each State and at each
9 State-operated maritime academy: *Provided further*, That
10 units under the consortium system shall be considered as a
11 single unit for purposes of evaluation of productivity under
12 this provision: *Provided further*, That enrollment standards
13 contained in Department of Defense Directive 1215.8 for
14 Senior Reserve Officers' Training Corps units, as revised
15 during fiscal year 1981, may be used to determine compli-
16 ance with this provision, in lieu of the standards cited above.

17 SEC. 8028. None of the funds appropriated by this Act
18 for programs of the Central Intelligence Agency shall remain
19 available for obligation beyond the current fiscal year, except
20 for funds appropriated for the Reserve for Contingencies,
21 which shall remain available until September 30, 1987.

22 SEC. 8029. None of the funds appropriated by this Act
23 may be used to support more than 9,901 full-time and 2,603
24 part-time military personnel assigned to or used in the
25 support of Morale, Welfare, and Recreation activities as

1 described in Department of Defense Instruction 7000.12 and
2 its enclosures, dated September 4, 1980.

3 SEC. 8030. All obligations incurred in anticipation of
4 the appropriations and authority provided in this Act are
5 hereby ratified and confirmed if otherwise in accordance with
6 the provisions of this Act.

7 SEC. 8031. None of the funds appropriated by this Act
8 or heretofore appropriated by any other Act shall be obligat-
9 ed or expended for the payment of anticipatory possession
10 compensation claims to the Federal Republic of Germany
11 other than claims listed in the 1973 agreement (commonly
12 referred to as the Global Agreement) between the United
13 States and the Federal Republic of Germany.

14 SEC. 8032. During the current fiscal year the Depart-
15 ment of Defense may enter into contracts to recover indebt-
16 edness to the United States pursuant to section 3718 of title
17 31, United States Code.

18 SEC. 8033. None of the funds appropriated by this Act
19 shall be available for a contract for studies, analyses, or con-
20 sulting services entered into without competition on the basis
21 of an unsolicited proposal unless the head of the activity
22 responsible for the procurement determines:

23 (a) as a result of thorough technical evaluation,
24 only one source is found fully qualified to perform the
25 proposed work, or

1 (b) the purpose of the contract is to explore an
2 unsolicited proposal which offers significant scientific or
3 technological promise, represents the product of origi-
4 nal thinking, and was submitted in confidence by one
5 source, or

6 (c) where the purpose of the contract is to take
7 advantage of unique and significant industrial accom-
8 plishment by a specific concern, or to insure that a
9 new product or idea of a specific concern is given
10 financial support:

11 *Provided*, That this limitation shall not apply to contracts in
12 an amount of less than \$25,000, contracts related to im-
13 provements of equipment that is in development or produc-
14 tion, or contracts as to which a civilian official of the Depart-
15 ment of Defense, who has been confirmed by the Senate,
16 determines that the award of such contract is in the interest
17 of the national defense.

18 SEC. 8034. None of the funds appropriated by this Act
19 shall be available to provide medical care in the United
20 States on an inpatient basis to foreign military and diplomatic
21 personnel or their dependents unless the Department of De-
22 fense is reimbursed for the costs of providing such care: *Pro-*
23 *vided*, That reimbursements for medical care covered by this
24 section shall be credited to the appropriations against which
25 charges have been made for providing such care, except that

1 inpatient medical care may be provided in the United States
2 without cost to military personnel and their dependents from
3 a foreign country if comparable care is made available to a
4 comparable number of United States military personnel in
5 that foreign country.

6 SEC. 8035. None of the funds appropriated by this Act
7 shall be obligated for the second career training program
8 authorized by Public Law 96-347.

9 SEC. 8036. None of the funds appropriated or otherwise
10 made available in this Act shall be obligated or expended for
11 salaries or expenses during the current fiscal year for the
12 purposes of demilitarization of surplus nonautomatic firearms
13 less than .50 caliber.

14 SEC. 8037. None of the funds provided in this Act shall
15 be available to initiate (1) a multiyear contract that employs
16 economic order quantity procurement in excess of
17 \$20,000,000 in any one year of the contract or that includes
18 an unfunded contingent liability in excess of \$20,000,000, or
19 (2) a contract for advance procurement leading to a multiyear
20 contract that employs economic order quantity procurement
21 in excess of \$20,000,000 in any one year, unless the Com-
22 mittees on Appropriations and Armed Services of the Senate
23 and House of Representatives have been notified at least
24 thirty days in advance of the proposed contract award: *Pro-*
25 *vided*, That no part of any appropriation contained in this Act

1 shall be available to initiate a multiyear contract for which
2 the economic order quantity advance procurement is not
3 funded at least to the limits of the Government's liability:
4 *Provided further*, That no part of any appropriation contained
5 in this Act shall be available to initiate multiyear procure-
6 ment contracts for any systems or component thereof if the
7 value of the multiyear contract would exceed \$500,000,000
8 unless specifically provided in this Act. Funds appropriated in
9 title III of this Act may be used for multiyear procurement
10 contracts as follows:

11 T-700 series aircraft engines;
12 MK-46 torpedo program;
13 Bradley Fighting Vehicle transmission;
14 M-1 tank chassis;
15 M-1 tank engine;
16 M-1 tank fire control components; and
17 LHD-1 amphibious assault ships.

18 SEC. 8038. None of the funds appropriated by this Act
19 which are available for payment of travel allowances for per
20 diem in lieu of subsistence to enlisted personnel shall be used
21 to pay such an allowance to any enlisted member in an
22 amount that is more than the amount of per diem in lieu of
23 subsistence that the enlisted member is otherwise entitled to
24 receive minus the basic allowance for subsistence, or pro rata
25 portion of such allowance, that the enlisted member is enti-

1 tled to receive during any day, or portion of a day, that the
2 enlisted member is also entitled to be paid a per diem in lieu
3 of subsistence.

4 SEC. 8039. None of the funds appropriated by this Act
5 shall be available to approve a request for waiver of the costs
6 otherwise required to be recovered under the provisions of
7 section 21(e)(1)(C) of the Arms Export Control Act unless
8 the Committees on Appropriations have been notified in
9 advance of the proposed waiver.

10 SEC. 8040. None of the funds appropriated by this Act
11 shall be available for the transportation of equipment or ma-
12 teriel designated as Prepositioned Materiel Configured in
13 Unit Sets (POMCUS) in Europe in excess of four division
14 sets: *Provided*, That the foregoing limitation shall not apply
15 with respect to any item of equipment or materiel which is
16 maintained in the inventories of the Active and Reserve
17 Forces at levels of at least 70 per centum of the established
18 requirements for such an item of equipment or materiel for
19 the Active Forces and 50 per centum of the established re-
20 quirement for the Reserve Forces for such an item of equip-
21 ment or materiel: *Provided further*, That no additional com-
22 mitments to the establishment of POMCUS sites shall be
23 made without prior approval of Congress.

24 SEC. 8041. (a) None of the funds in this Act may be
25 used to transfer any article of military equipment or data

1 related to the manufacture of such equipment to a foreign
2 country prior to the approval in writing of such transfer by
3 the Secretary of the military service involved.

4 (b) No funds appropriated by this Act may be used for
5 the transfer of a technical data package from any Govern-
6 ment-owned and operated defense plant manufacturing large
7 caliber cannons to any foreign government, nor for assisting
8 any such government in producing any defense item currently
9 being manufactured or developed in a United States Govern-
10 ment-owned, Government-operated, defense plant manufac-
11 turing large caliber cannons.

12 (TRANSFER OF FUNDS)

13 SEC. 8042. None of the funds appropriated in this Act
14 may be made available through transfer, reprogramming, or
15 other means for any intelligence or special activity different
16 from that previously justified to the Congress unless the Di-
17 rector of Central Intelligence or the Secretary of Defense has
18 notified the House and Senate Appropriations Committees of
19 the intent to make such funds available for such activity.

20 SEC. 8043. Of the funds appropriated by this Act for
21 strategic programs, the Secretary of Defense shall provide
22 funds for the Advanced Technology Bomber program at a
23 level at least equal to the amount provided by the committee
24 of conference on this Act in order to maintain priority empha-
25 sis on this program.

1 SEC. 8044. None of the funds available to the Depart-
2 ment of Defense during the current fiscal year shall be used
3 by the Secretary of a military department to purchase coal or
4 coke from foreign nations for use at United States defense
5 facilities in Europe when coal from the United States is
6 available.

7 SEC. 8045. None of the funds available to the Depart-
8 ment of Defense shall be available for the procurement of
9 manual typewriters which were manufactured by facilities lo-
10 cated within states which are Signatories to the Warsaw
11 Pact.

12 SEC. 8046. None of the funds appropriated by this Act
13 may be used to appoint or compensate more than 37 individ-
14 uals in the Department of Defense in positions in the Execu-
15 tive Schedule (as provided in sections 5312-5316 of title 5,
16 United States Code).

17 SEC. 8047. None of the funds appropriated by this Act
18 shall be available to convert a position in support of the
19 Army Reserve, Air Force Reserve, Army National Guard,
20 and Air National Guard occupied by, or programed to be
21 occupied by, a (civilian) military technician to a position to be
22 held by a person in an active Guard or Reserve status if that
23 conversion would reduce the total number of positions occu-
24 pied by, or programed to be occupied by, (civilian) military
25 technicians of the component concerned, below 66,086: *Pro-*

1 *vided*, That none of the funds appropriated by this Act shall
2 be available to support more than 43,157 positions in support
3 of the Army Reserve, Army National Guard or Air National
4 Guard occupied by, or programed to be occupied by, persons
5 in an active Guard or Reserve status: *Provided further*, That
6 none of the funds appropriated by this Act may be used to
7 include (civilian) military technicians in computing civilian
8 personnel ceilings, including statutory or administratively im-
9 posed ceilings, on activities in support of the Army Reserve,
10 Air Force Reserve, Army National Guard or Air National
11 Guard.

12 SEC. 8048. (a) The provisions of section 138(c)(2) of
13 title 10, United States Code, shall not apply with respect to
14 fiscal year 1986 or with respect to the appropriation of funds
15 for that year.

16 (b) During fiscal year 1986, the civilian personnel of the
17 Department of Defense may not be managed on the basis of
18 any end-strength, and the management of such personnel
19 during that fiscal year shall not be subject to any constraint
20 or limitation (known as an end-strength) on the number of
21 such personnel who may be employed on the last day of such
22 fiscal year.

23 (c) The fiscal year 1987 budget request for the Depart-
24 ment of Defense as well as all justification material and other
25 documentation supporting the fiscal year 1987 Department of

1 Defense budget request shall be prepared and submitted to
2 the Congress as if sections (a) and (b) of this provision were
3 effective with regard to fiscal year 1987.

4 (TRANSFER OF FUNDS)

5 SEC. 8049. Appropriations or funds available to the De-
6 partment of Defense during the current fiscal year may be
7 transferred to appropriations provided in this Act for re-
8 search, development, test, and evaluation to the extent nec-
9 essary to meet increased pay costs authorized by or pursuant
10 to law, to be merged with and to be available for the same
11 purposes, and the same time period, as the appropriation to
12 which transferred.

13 SEC. 8050. (a) During fiscal year 1986, no funds avail-
14 able to the Central Intelligence Agency, Department of De-
15 fense, or any other agency or entity of the United States
16 involved in intelligence activities may be obligated or expend-
17 ed, directly or indirectly, for material assistance to the Nica-
18 raguan democratic resistance including arms, ammunition, or
19 other equipment or material which could be used to inflict
20 serious bodily harm or death, or which would have the effect
21 of providing arms, ammunition or other weapons of war for
22 military or paramilitary operations in Nicaragua by any
23 group, organization, movement or individual.

24 (b) Nothing in this section shall be construed to impair
25 or affect the authority of the Nicaraguan Humanitarian As-
26 sistance Office to administer humanitarian assistance to the

1 Nicaraguan democratic resistance of the nature and to the
2 extent provided by, and under the terms and conditions speci-
3 fied in, the Supplemental Appropriations Act, 1985 (Public
4 Law 99-88).

5 SEC. 8051. None of the funds made available by this
6 Act shall be used in any way for the leasing to non-Federal
7 agencies in the United States aircraft or vehicles owned or
8 operated by the Department of Defense when suitable air-
9 craft or vehicles are commercially available in the private
10 sector: *Provided*, That nothing in this section shall affect au-
11 thorized and established procedures for the sale of surplus
12 aircraft or vehicles: *Provided further*, That nothing in this
13 section shall prohibit such leasing when specifically author-
14 ized in a subsequent Act of Congress: *Provided further*, That
15 nothing in this section shall prohibit the extension or renewal
16 of such leases that were first entered into prior to
17 December 29, 1981.

18 SEC. 8052. None of the funds made available by this
19 Act shall be used in any way, directly or indirectly, to influ-
20 ence congressional action on any legislation or appropriation
21 matters pending before the Congress.

22 SEC. 8053. No funds available to the Department of
23 Defense during the current fiscal year may be used to enter
24 into any contract with a term of eighteen months or more or
25 to extend or renew any contract for a term of eighteen

1 months or more, for any vessel, aircraft or vehicles, through
2 a lease, charter, or similar agreement without previously
3 having been submitted to the Committees on Appropriations
4 of the House of Representatives and the Senate in the budg-
5 etary process. Further, any contractual agreement which im-
6 poses an estimated termination liability (excluding the esti-
7 mated value of the leased item at the time of termination) on
8 the Government exceeding 50 per centum of the original
9 purchase value of the vessel, aircraft, or vehicle must have
10 specific authority in an appropriation Act for the obligation of
11 10 per centum of such termination liability.

12 SEC. 8054. None of the funds appropriated in this Act
13 may be obligated or expended in any way for the purpose of
14 the sale, lease, rental, or excessing of any portion of land
15 currently identified as Fort DeRussy, Honolulu, Hawaii.

16 SEC. 8055. None of the funds made available by this
17 Act shall be available to operate in excess of 247 commis-
18 saries in the contiguous United States.

19 SEC. 8056. None of the funds provided in this Act shall
20 be used to procure aircraft ejection seats manufactured in any
21 foreign nation that does not permit United States manufac-
22 turers to compete for ejection seat procurement requirements
23 in that foreign nation. This limitation shall apply only to ejec-
24 tion seats procured for installation on aircraft produced or
25 assembled in the United States.

1 SEC. 8057. No more than \$189,300,000 of the funds
2 appropriated by this Act shall be available for the payment of
3 unemployment compensation benefits.

4 SEC. 8058. None of the funds appropriated by this Act
5 should be obligated for the pay of any individual who is ini-
6 tially employed after the date of enactment of this Act as a
7 technician in the administration and training of the Army Re-
8 serve and the maintenance and repair of supplies issued to
9 the Army Reserve unless such individual is also a military
10 member of the Army Reserve troop program unit that he or
11 she is employed to support. Those technicians employed by
12 the Army Reserve in areas other than Army Reserve troop
13 program units need only be members of the Selected
14 Reserve.

15 SEC. 8059. None of the funds appropriated by this Act
16 shall be used for the transfer of the Department of Defense
17 Dependents Schools (DODDS) to the Department of
18 Education.

19 SEC. 8060. No part of the funds appropriated herein
20 shall be available for the purchase of more than 50 per
21 centum of the fiscal year requirements for aircraft power
22 supply cable assemblies of each military facility from indus-
23 tries established pursuant to title 18, United States Code:
24 *Provided*, That the restriction contained herein shall not
25 apply to small purchases in amounts not exceeding \$10,000.

1 SEC. 8061. None of the funds appropriated by this Act
2 shall be used to purchase dogs or cats or otherwise fund the
3 use of dogs or cats for the purpose of training Department of
4 Defense students or other personnel in surgical or other med-
5 ical treatment of wounds produced by any type of weapon:
6 *Provided*, That the standards of such training with respect to
7 the treatment of animals shall adhere to the Federal Animal
8 Welfare Law and to those prevailing in the civilian medical
9 community.

10 SEC. 8062. None of the funds made available by this
11 Act shall be used to initiate full-scale engineering develop-
12 ment of any major defense acquisition program until the
13 Secretary of Defense has provided to the Committees on
14 Appropriations of the House and Senate—

15 (a) a certification that the system or subsystem
16 being developed will be procured in quantities that are
17 not sufficient to warrant development of two or more
18 production sources, or

19 (b) a plan for the development of two or more
20 sources for the production of the system or subsystem
21 being developed.

22 SEC. 8063. None of the funds appropriated by this Act
23 shall be available to pay any member of the uniformed serv-
24 ice for unused accrued leave pursuant to section 501 of title
25 37, United States Code, for more than sixty days of such

1 leave, less the number of days for which payment was previ-
2 ously made under section 501 after February 9, 1976.

3 SEC. 8064. Within the funds made available under title
4 II of this Act, the military departments may use such funds
5 as necessary, but not to exceed \$4,700,000, to carry out the
6 provisions of section 430 of title 37, United States Code:
7 *Provided*, That none of the funds appropriated to the Depart-
8 ment of Defense for the travel and transportation of depend-
9 ent students of military personnel stationed overseas shall be
10 obligated for a transportation allowance for travel within or
11 between the contiguous United States, other than to or from
12 any Military Airlift Command aerial port of entry located in
13 the immediate direction of the member's overseas duty
14 station.

15 SEC. 8065. Within funds available under title II of this
16 Act, but not to exceed \$100,000, and under such regulations
17 as the Secretary of Defense may prescribe, the Department
18 of Defense may, in addition to allowances currently available,
19 make payments for travel and transportation expenses of the
20 surviving spouse, children, parents, and brothers and sisters
21 of any member of the Armed Forces of the United States,
22 who dies as the result of an injury or disease incurred in line
23 of duty to attend the funeral of such member in any case in
24 which the funeral of such member is more than two hundred
25 miles from the residence of the surviving spouse, children,

1 parents or brothers and sisters, if such spouse, children, par-
2 ents or brothers and sisters, as the case may be, are finan-
3 cially unable to pay their own travel and transportation
4 expenses to attend the funeral of such member.

5 SEC. 8066. None of the funds available to the Depart-
6 ment of Defense may be used for the floating storage of
7 petroleum or petroleum products except in vessels of or
8 belonging to the United States.

9 SEC. 8067. Of the funds made available to the Depart-
10 ment of the Air Force in this Act, not less than \$3,000,000
11 shall be available for the Civil Air Patrol.

12 SEC. 8068. Funds available to the Department of
13 Defense may be used by the Department of Defense for the
14 use of helicopters and motorized equipment at Defense instal-
15 lations for removal of feral burros and horses.

16 SEC. 8069. On or after September 30, 1985, none of
17 the funds appropriated by this Act shall be available to exe-
18 cute an agreement for continuation pay authorized under sec-
19 tion 311 of title 37, United States Code, with an officer of
20 the Army or Navy in the Dental Corps or an officer of the
21 Air Force designated as a dental officer who is serving in a
22 dental specialty which is manned in excess of 95 per centum
23 of the authorized strength for that specialty: *Provided*, That
24 an agreement for such continuation pay may be executed
25 with such an officer if the agreement provides that such offi-

1 cer will receive only 50 per centum of the amount of the
2 continuation pay to which the officer would otherwise be en-
3 titled under section 311 of title 37: *Provided further*, That
4 the foregoing limitation shall cease to be applicable upon the
5 enactment of legislation repealing or amending the continu-
6 ation pay provisions currently authorized by section 311 of
7 title 37.

8 (TRANSFER OF FUNDS)

9 SEC. 8070. Not to exceed \$100,000,000 may be trans-
10 ferred from the appropriation "Operation and Maintenance,
11 Defense Agencies" to operation and maintenance appropria-
12 tions under the military departments in connection with dem-
13 onstration projects authorized by section 1092 of title 10,
14 United States Code: *Provided*, That the Secretary of Defense
15 shall promptly notify the Congress of any such transfer of
16 funds under this provision: *Provided further*, That the author-
17 ity to make transfers pursuant to this section is in addition to
18 the authority to make transfers under other provisions of this
19 Act.

20 SEC. 8071. None of the funds available for Defense in-
21 stallations in Europe shall be used for the consolidation or
22 conversion of heating facilities to district heating distribution
23 systems in Europe: *Provided*, That those facilities identified
24 by the Department of the Army as of April 11, 1985, as
25 being in advanced stages of negotiations shall be exempt from
26 such provision.

1 SEC. 8072. None of the funds appropriated by this Act
2 shall be available to compensate foreign selling costs as de-
3 scribed in Federal Acquisition Regulation 31.205-38(b) as in
4 effect on April 1, 1984.

5 SEC. 8073. Of the funds appropriated for the operation
6 and maintenance of the Armed Forces, obligations may be
7 incurred for humanitarian and civic assistance costs inciden-
8 tal to authorized operations, and these obligations shall be
9 reported to Congress on September 30, 1986: *Provided*, That
10 funds available for operation and maintenance shall be avail-
11 able for providing humanitarian and similar assistance in the
12 Trust Territories of the Pacific Islands by using Civic Action
13 Teams.

14 SEC. 8074. Notwithstanding any other provision of law,
15 the Secretaries of the Army and Air Force may authorize the
16 retention in an active status until age sixty of any officer who
17 would otherwise be removed from an active status and who is
18 employed as a National Guard or Reserve technician in a
19 position in which active status in a reserve component of the
20 Army or Air Force is required as a condition of that
21 employment.

22 Sec. 8075. None of the funds available to the Depart-
23 ment of Defense may be used to transport any chemical
24 munitions into the Lexington-Blue Grass Army Depot for
25 purposes of future demilitarization.

1 SEC. 8076. None of the funds appropriated by this Act
2 may be obligated or expended for the purposes delineated in
3 section 1002(e)(2) of the Department of Defense Authoriza-
4 tion Act, 1985, without the prior notification to the Commit-
5 tees on Appropriations of the House of Representatives and
6 the Senate.

7 SEC. 8077. None of the funds provided by this Act shall
8 be used to perform abortions except where the life of the
9 mother would be endangered if the fetus were carried to
10 term.

11 SEC. 8078. It is the sense of the Congress that the Sec-
12 retary of Defense should formulate and carry out a program
13 under which contracts awarded by the Department of
14 Defense in fiscal year 1986 would, to the maximum extent
15 practicable and consistent with existing law, be awarded to
16 contractors who agree to carry out such contracts in labor
17 surplus areas (as defined and identified by the Department of
18 Labor).

19 SEC. 8079. It is the sense of the Congress that competi-
20 tion, which is necessary to enhance innovation, effectiveness,
21 and efficiency, and which has served our Nation so well in
22 other spheres of political and economic endeavor, should be
23 expanded and increased in the provision of our national
24 defense.

1 SEC. 8080. It is the sense of the Congress that—(a) the
2 President shall inform and make every effort to consult with
3 other member nations of the North Atlantic Treaty Organiza-
4 tion, Japan, and other appropriate allies concerning the re-
5 search being conducted in the Strategic Defense Initiative
6 program. (b) The Secretary of Defense, in coordination with
7 the Secretary of State and the Director of the Arms Control
8 and Disarmament Agency, shall at the time of the submission
9 of the annual budget presentation materials for each fiscal
10 year beginning after September 30, 1984, report to the Com-
11 mittees on Appropriations, Armed Services, and Foreign Re-
12 lations of the Senate and the Committees on Appropriations,
13 Armed Services, and Foreign Affairs of the House of Repre-
14 sentatives on the status of the consultations referred to under
15 subsection (a).

16 SEC. 8081. It is the sense of Congress that the Presi-
17 dent should insist that the pertinent member nations of the
18 North Atlantic Treaty Organization meet or exceed their
19 pledges for an annual increase in defense spending of at least
20 3 per centum real growth and should insist that Japan fur-
21 ther increase its defense spending during fiscal years 1986
22 and 1987 in furtherance of increased unity, equitable sharing
23 of our common defense burden, and international stability.

24 SEC. 8082. None of the funds available to the Depart-
25 ment of Defense shall be obligated or expended to contract

1 out any activity currently performed by the Defense Person-
2 nel Support Center in Philadelphia, Pennsylvania: *Provided*,
3 That this provision shall not apply after notification to the
4 Committees on Appropriations of the House of Representa-
5 tives and the Senate of the results of the cost analysis of
6 contracting out any such activity.

7 SEC. 8083. Notwithstanding any other provision of this
8 Act, no funds appropriated by this Act shall be expended for
9 the research, development, test, evaluation or procurement
10 for integration of a nuclear warhead into the Joint Tactical
11 Missile System (JTACMS).

12 SEC. 8084. None of the funds available to the Depart-
13 ment of the Navy may be used to enter into any contract for
14 the overhaul, repair, or maintenance of any naval vessel
15 which includes charges for interport differential as an evalua-
16 tion factor for award.

17 SEC. 8085. Under regulations prescribed by the Secre-
18 tary of Defense, the Department of the Air Force and the
19 Defense Logistics Agency may test a flat rate per diem
20 system for military and civilian travel allowances: *Provided*,
21 That per diem allowances paid under a flat rate per diem
22 system shall be in an amount determined by the Secretary of
23 Defense to be sufficient to meet normal and necessary ex-
24 penses in the area in which travel is performed, but in no
25 event will the travel allowances exceed \$75 for each day in

1 travel status within the continental United States: *Provided*
2 *further*, That the test approved under this section shall expire
3 on September 30, 1987, or upon the effective date of perma-
4 nent legislation establishing a flat rate per diem system for
5 both military and civilian personnel, whichever occurs first.

6 SEC. 8086. Notwithstanding any other provision of law,
7 during fiscal year 1986, the Department of Defense is to con-
8 duct a pilot test project of providing home health care to
9 dependents entitled to health care under section 1076 of title
10 10, United States Code: *Provided*, That such care is medical-
11 ly necessary or appropriate, cost effective, and the benefi-
12 cary is not covered for such care under any other public or
13 private health insurance plan.

14 SEC. 8087. No appropriation contained in this Act shall
15 be available for the payment of more than 75 per centum of
16 charges of postsecondary education institutions for tuition or
17 expenses for off-duty training of Ready Reserve commis-
18 sioned officer personnel, nor for the payment of any part of
19 tuition or expenses for such training of such personnel who
20 do not agree to remain members of the Ready Reserve for at
21 least four years after completion of such training or
22 education.

23 SEC. 8088. None of the funds appropriated in this Act
24 shall be used for professional surveying and mapping services
25 performed by contract for the Defense Mapping Agency

1 unless those contracts are procured in accordance with the
2 selection procedures outlined pursuant to section 2855 of title
3 10, United States Code.

4 SEC. 8089. None of the funds appropriated by this Act
5 shall be available to convert to contractor performance an
6 activity or function of the Department of Defense that, on or
7 after the date of enactment of this Act, is performed by more
8 than ten Department of Defense civilian employees until a
9 most efficient and cost-effective organization analysis is com-
10 pleted on such activity or function and certification of the
11 analysis is made to the Committees on Appropriations of the
12 House of Representatives and the Senate.

13 SEC. 8090. Appropriations available to the Department
14 of Defense during the current fiscal year shall be available,
15 under such regulations as the Secretary of Defense may
16 deem appropriate, to exchange or furnish mapping, charting,
17 and geodetic data, supplies or services to a foreign country
18 pursuant to an agreement for the production or exchange of
19 mapping, charting, and geodetic data.

20 SEC. 8091. Of the funds made available in title IV of
21 this Act, \$300,000 available for Defense Research Sciences,
22 Army; \$300,000 available for Defense Research Sciences,
23 Navy; \$300,000 available for Defense Research Sciences,
24 Air Force; and \$100,000 available for Defense Research
25 Sciences, Defense Agencies; in all: \$1,000,000, shall be

1 available only for establishing at a private nonprofit institu-
2 tion a pilot program for advanced semiconductor research.

3 SEC. 8092. None of the funds appropriated by this Act
4 may be obligated or expended for the purposes delineated in
5 section 1103(c) of the Department of Defense Authorization
6 Act, 1986, until 30 calendar days have elapsed following re-
7 ceipt of written notification by the Committees on Appropria-
8 tions and Armed Services of the House of Representatives
9 and the Senate.

10 SEC. 8093. (a) Except in accordance with subsection
11 (b), none of the funds appropriated in this Act may be used—

12 (1) for procurement or assembly of binary chemi-
13 cal munitions (or subcomponents of such munitions); or

14 (2) for establishment of production facilities neces-
15 sary for procurement or assembly of binary chemical
16 munitions (or subcomponents of such munitions).

17 (b) It is the sense of Congress that appropriations for
18 binary chemical weapons shall be considered after September
19 30, 1986, if—

20 (1) a mutually verifiable international agreement
21 concerning binary and other similar chemical munitions
22 has not been entered into by the United States by such
23 date;

24 (2) the President transmits, after such date, a cer-
25 tification to the Congress that—

1 (A) the procurement and assembly of such
2 complete weapons is necessitated by national se-
3 curity interests including the interests of the
4 members of the North Atlantic Treaty
5 Organization;

6 (B) performance specifications established by
7 the Department of Defense and in effect on the
8 date of enactment of this Act with respect to such
9 munitions will be met or exceeded in the han-
10 dling, storage, and other use of such munitions;

11 (C) applicable Federal safety requirements
12 will be met or exceeded in the handling, storage,
13 and other use of such munitions;

14 (D) the Secretary of Defense's plan (which
15 shall accompany such certification) for destruction
16 of existing chemical stocks is ready to be imple-
17 mented; and

18 (E) the North Atlantic Council of the North
19 Atlantic Treaty Organization (NATO) has for-
20 mally agreed—

21 (i) that chemical munitions currently
22 stored and deployed in NATO countries need
23 to be modernized in order to serve as an
24 adequate deterrent;

1 (ii) that such modernization should be
2 effected by replacement of current chemical
3 munitions with binary chemical munitions;
4 and

5 (iii) that the European member nations
6 of NATO where such chemical munitions are
7 to be stored or deployed are willing to accept
8 storage and deployment of binary chemical
9 munitions within their territories;

10 (3) such procurement and assembly is carried out
11 only after the end of the 60-day period beginning on
12 the date such certification is received by the Congress;

13 (4) the Secretary of Defense's basing mode for
14 such munitions in the United States is to be carried out
15 in a manner which provides that the two components
16 that constitute a binary munition are based in separate
17 States; and

18 (5) the Secretary of Defense's plan for the trans-
19 portation of such munitions in the United States is to
20 be carried out in a manner which provides that the two
21 components that constitute a binary munition are
22 transported separately and by different means.

23 SEC. 8094. None of the funds appropriated in this Act
24 may be obligated or expended for procurement of C-12 air-
25 craft unless such aircraft are procured through competitive

1 procedures (as defined in section 2302(2) of title 10, United
2 States Code), which shall be restricted to turboprop aircraft.

3 SEC. 8095. None of the funds in this Act may be obli-
4 gated for procurement of 120mm mortars or 120mm mortar
5 ammunition manufactured outside of the United States: *Pro-*
6 *vided*, That this limitation shall not apply to procurement of
7 such mortars or ammunition required for testing, evaluation,
8 type classification or equipping the Army's Ninth Infantry
9 Division (Motorized).

10 SEC. 8096. None of the funds appropriated by this Act
11 may be obligated or expended to carry out a test of the Space
12 Defense System (anti-satellite weapon) against an object in
13 space until the President certifies to Congress that the Soviet
14 Union has conducted, after October 3, 1985, a test against
15 an object in space of a dedicated anti-satellite weapon.

16 SEC. 8097. Of the funds made available to the Depart-
17 ment of the Air Force in this Act, not more than
18 \$35,000,000 shall be made available to initiate a replace-
19 ment program for Presidential Air Force One aircraft.

20 (TRANSFER OF FUNDS)

21 SEC. 8098. The Secretary of Defense may transfer, not
22 to exceed \$1,000,000,000 from the Foreign Currency Fluc-
23 tuation, Defense account to appropriations provided in title II
24 of this Act: *Provided*, That the Secretary of Defense shall
25 report to the Committees on Appropriations of the House of
26 Representatives and Senate of the intended transfer: *Provid-*

1 *ed further*, That funds so transferred shall be made available
2 for the same time period and purpose as the appropriation to
3 which transferred: *Provided further*, That this transfer au-
4 thority is in addition to any other transfer authority provided
5 elsewhere in this Act.

6 SEC. 8099. (a) LIMITATIONS ON CONFLICTS-OF-IN-
7 TEREST IN DEFENSE PROCUREMENT.—(1) An individual
8 who is a former officer or employee of the Department of
9 Defense, retired Member of Congress, or a former or retired
10 member of the Armed Forces, retired Member of Congress,
11 who during the two-year period preceding the individual's
12 separation from service in the Department of Defense had
13 significant responsibilities for a procurement function with re-
14 spect to a contractor may not accept compensation from that
15 contractor for a period of two years following the individual's
16 separation from service in the Department of Defense or the
17 Congress of the United States.

18 (2) Whoever knowingly violates paragraph (1) shall be
19 fined not more than \$10,000 or imprisoned for not more than
20 one year, or both

21 (3) an individual who knowingly offers or provides any
22 compensation to an individual the acceptance of which is or
23 would be in violation of paragraph (1) shall be fined not more
24 than \$10,000 or imprisoned for not more than one year, or
25 both.

1 (b) **LIMITATIONS ON CONTRACTORS.**—(1) Each con-
2 tract for procurement of goods or services entered into by the
3 Department of Defense shall include a provision under which
4 the contractor agrees not to provide compensation to an indi-
5 vidual if the acceptance of such compensation by such indi-
6 vidual would violate subsection (a)(1).

7 (2) Such a contract shall also provide that if the contrac-
8 tor knowingly violates a contract provision required by para-
9 graph (1) the contractor shall pay to the United States, as
10 liquidated damages under the contract, an amount equal to
11 the greater of—

12 (A) \$100,000; or

13 (B) three times the compensation paid by the con-
14 tractor to the individual in violation of such contract
15 provision.

16 (c) **REPORTING OF EMPLOYMENT CONTRACTS.**—If an
17 officer or employee of the Department of Defense, or a
18 member of the Armed Forces, having significant responsibil-
19 ities for a procurement function with respect to a contractor
20 contacts, or is contacted by, the contractor regarding future
21 compensation of the officer, employee, or member by the con-
22 tractor, the officer, employee, or member shall—

23 (1) promptly report the contact to the officer, em-
24 ployee, or member's supervisor and to the designated

1 ethics official of the agency in which the officer, em-
2 ployee, or member is serving;

3 (2) promptly report (as part of the report under
4 paragraph (1) or as a separate report) when contacts
5 with the contractor concerning such compensation have
6 been terminated without agreement or commitment to
7 future compensation of the officer, employee, or
8 member by the contractor; and

9 (3) disqualify himself from all participation in the
10 performance of procurement functions relating to con-
11 tracts with that contractor until a report described in
12 paragraph (2) is made with respect to such contacts.

13 (d) NOTICE TO OFFICERS AND EMPLOYEES LEAVING
14 DOD SERVICE.—(1) The Secretary of Defense shall give the
15 notice described in paragraph (2) to each officer and employ-
16 ee of the Department of Defense and each member of the
17 Armed Forces—

18 (A) who after the effective date of this section is
19 separated from service in the Department of Defense;
20 and

21 (B) who during the two-year period before that
22 separation served in a position in the Department that
23 included significant responsibility for a procurement
24 function and that was identified by the Secretary of
25 Defense under subsection (g)(1).

1 (2) A notice required by paragraph (1) shall provide the
2 individual receiving the notice—

3 (A) a written explanation of the provisions of this
4 section; and

5 (B) the name of each contractor from whom such
6 individual is prohibited from accepting compensation
7 under this section during the two-year period following
8 such separation from service in the Department of De-
9 fense.

10 (e) CONTRACTOR REPORTS.—(1)(A) Each contractor
11 subject to a contract term described in subsection (b) shall
12 submit to the Secretary of Defense not later than April 1 of
13 each year a report covering the previous calendar year. Each
14 such report shall list the name of each individual (together
15 with other information adequate for the Government to iden-
16 tify the individual) who is a former Department of Defense
17 officer or employee, or a former or retired member of the
18 Armed Forces, who—

19 (i) was provided compensation by that contractor
20 during the preceding calendar year, if such compensa-
21 tion was provided within two years after such officer,
22 employee, or member left service in the Department of
23 Defense; and

1 (ii) had significant responsibilities for a procure-
2 ment function during the individual's last two years of
3 service in the Department of Defense.

4 (B) Each such listing shall—

5 (i) show each agency in which the individual was
6 employed or served on active duty during the last two
7 years of such individual's service in the Government;

8 (ii) show the individual's job titles during the
9 last two years of such individual's service in the
10 Government;

11 (iii) contain a full and complete description of the
12 duties of the individual during the last two years of
13 such service; and

14 (iv) contain a description of the duties (if any) that
15 the individual is performing on behalf of the contractor.

16 (C) The first such report shall be submitted not later
17 than April 1, 1987.

18 (2) The Secretary of Defense shall review each report
19 under paragraph (1) to assess the report for accuracy and
20 completeness and for the purpose of identifying possible vio-
21 lations of subsection (a) or (b) or paragraph (1). The Secre-
22 tary shall report any such possible violation to the Attorney
23 General.

24 (3) Whoever fails to file a report required by paragraph
25 (1) shall be fined not more than \$10,000.

1 (f) REVIEW BY DIRECTOR OF OFFICE OF GOVERN-
2 MENT ETHICS.—The Director of the Office of Government
3 Ethics shall have access to the reports submitted under sub-
4 section (e)(1) and shall conduct an annual random review of
5 the reports for violations of subsections (a), (b), and (e)(1).
6 The Director shall submit a report to Congress not later than
7 October 1 of each year on the operation of this section, in-
8 cluding the findings of the Director based on the examination
9 of reports for the preceding calendar year.

10 (g) COVERED PROCUREMENT FUNCTIONS.—Not later
11 than 180 days after the date of the enactment of this Act, the
12 Secretary of Defense—

13 (1) shall identify the procurement functions cov-
14 ered by this section and the organizational positions
15 currently performing such functions; and

16 (2) shall provide a list of such functions and posi-
17 tions to Congress and to the Director of the Office of
18 Government Ethics and publish such list in the Federal
19 Register.

20 (h) EXCLUSION.—This section does not apply—

21 (1) to a contract for an amount less than
22 \$100,000; or

23 (2) to compensation of an individual by an entity
24 that did not have a Department of Defense contract in
25 excess of \$100,000 at the time the individual had sig-

1 nificant responsibilities for a significant procurement
2 function with respect to a contract with that entity.

3 (i) ADVISORY OPINIONS FROM OFFICE OF GOVERN-
4 MENT ETHICS.—(1) An individual who is considering the
5 propriety of accepting compensation that might place the in-
6 dividual in violation of subsection (a) may, before acceptance
7 of such compensation, apply to the Director of the Office of
8 Government Ethics for advice on the applicability of this sec-
9 tion to the acceptance of such compensation.

10 (2) An application under paragraph (1) shall contain
11 such information as the Director requires.

12 (j) WAIVER OF OTHERWISE APPLICABLE FINES
13 UNDER TITLE 18.—The provisions of section 3623 of title
14 18, United States Code, shall not apply to maximum fines
15 applicable under subsections (a)(2), (a)(3), and (e)(3).

16 (k) DEFINITIONS.—For purposes of this section:

17 (1) The term “compensation” includes any pay-
18 ment, gift, benefit, reward, favor, gratuity, or employ-
19 ment valued in excess of \$100 at prevailing market
20 price, provided directly, indirectly, or through a third
21 party.

22 (2) The term “contractor” means any person,
23 partnership, corporation, or agency (other than the
24 Federal Government or the independent agencies
25 thereof) that contracts to supply the Department of

1 Defense with goods or services. Such term includes
2 any parent, subsidiary, or affiliate thereof.

3 (3) The term "procurement function", with re-
4 spect to a contract, means any acquisition action relat-
5 ing to the contract, including negotiating, awarding,
6 administering, approving contract changes, costs analy-
7 sis, quality assurance, operational and developmental
8 testing, technical advice or recommendation, approval
9 of payment, contractor selection, budgeting, auditing
10 under the contract, or management of the procurement
11 program.

12 (4) The term "Armed Forces" means the Army,
13 Navy, Air Force, and Marine Corps and includes the
14 Coast Guard when the Coast Guard is operating as a
15 service in the Navy.

16 (l) SEPARATION OF MEMBERS OF ARMED FORCES.—
17 For the purposes of this section, a member or former member
18 of the Armed Forces shall be considered to have been sepa-
19 rated from service in the Department of Defense upon such
20 member's discharge or release from active duty.

21 (m) TRANSITION.—(1) This section—

22 (A) does not preclude the continuation of employ-
23 ment that began before the effective date of this sec-
24 tion or the acceptance of compensation for such em-
25 ployment; and

1 (B) does not, except as provided in paragraph (2),
2 apply to an individual whose service with the Depart-
3 ment of Defense terminates before April 1, 1986.

4 (2) Paragraph (1)(B) does not preclude the application of
5 this section to an individual with respect to service in the
6 Department of Defense by such individual on or after April 1,
7 1986.

8 (n) EFFECTIVE DATE.—This section shall take effect
9 on January 1, 1986.

10 (o) REPEALER.—Section 921 of the Department of De-
11 fense Authorization Act, 1986, is repealed.

12 SEC. 8100. (a) REGULATION OF ALLOWABLE COSTS
13 PAYABLE TO DEFENSE CONTRACTORS.—Section 2324 of
14 title 10, United States Code, as added by section 911 of the
15 Department of Defense Authorization Act, 1986, is amended
16 to read as follows:

17 **“§ 2324. Allowable costs under defense contracts**

18 “(a)(1) The Secretary of Defense shall require that a
19 covered contract provide that if the contractor submits to the
20 Department of Defense a proposal for settlement of indirect
21 costs incurred by the contractor for any period after such
22 costs have been accrued and if that proposal includes the
23 submission of an indirect cost that has been expressly speci-
24 fied by statute or regulation as being unallowable—

25 “(A) that cost shall be disallowed; and

1 “(B) the contractor shall pay to the United States
2 an amount equal to the greater of \$10,000 or—

3 “(i) the amount of the disallowed cost, plus
4 interest; or

5 “(ii) if the cost is of a type that has been fi-
6 nally determined, before the submission of such
7 proposal, to be expressly unallowable to that con-
8 tractor, an amount equal to twice the amount of
9 the disallowed cost, plus interest.

10 “(2) An action by the Secretary under a contract provi-
11 sion required by paragraph (1) to disallow a cost and to re-
12 quire payment of a contractor—

13 “(A) shall be considered to be a final decision for
14 purposes of section 6 of the Contracts Dispute Act of
15 1978 (41 U.S.C. 605); and

16 “(B) shall be appealable in the manner provided
17 in section 7 of such Act (41 U.S.C. 606).

18 “(3) Interest under paragraph (1) shall be computed—

19 “(A) from the date on which the cost is ques-
20 tioned; and

21 “(B) at the applicable rate prescribed by the Sec-
22 retary of the Treasury under section 6621 of the Inter-
23 nal Revenue Code of 1954.

24 “(4) Whoever, having entered into a contract with the
25 Department of Defense that includes terms for settlement of

1 indirect costs, submits to the Department a proposal for set-
2 tlement of such costs for any period after such costs have
3 been accrued that includes a cost that is expressly specified
4 by statute or regulation as being unallowable, knowing that
5 such cost is unallowable, shall be imprisoned not more than 5
6 years, or fined not more than \$250,000 in the case of an
7 individual or \$500,000 in the case of a corporation.

8 “(b) The following costs are not allowable under a cov-
9 ered contract:

10 “(1) Costs of entertainment, including amusement,
11 diversion, and social activities and any costs directly
12 associated with such costs (such as tickets to shows or
13 sports events, meals, lodging, rentals, transportation,
14 and gratuities).

15 “(2) Costs incurred to influence (directly or indi-
16 rectly) congressional action on any legislation or appro-
17 priation matters pending before Congress or a State.

18 “(3) Costs incurred in defense of any civil or
19 criminal fraud proceeding or similar proceeding (includ-
20 ing filing of any false certification) brought by the
21 United States where the contractor is found liable for
22 fraud or has pleaded nolo contendere to a charge of
23 fraud or similar proceeding (including filing of false
24 certification).

1 “(4) Payments of fines and penalties resulting
2 from violations of, or failure to comply with, Federal,
3 State, local, or foreign laws and regulations, except
4 when incurred as a result of compliance with specific
5 terms and conditions of the contract or specific written
6 instructions from the contracting officer authorizing in
7 advance such payments in accordance with applicable
8 regulations of the Secretary of Defense.

9 “(5) Costs of membership in any social, dining, or
10 country club or organization.

11 “(6) Costs of alcoholic beverages.

12 “(7) Contributions or donations, regardless of the
13 recipient.

14 “(8) Costs of advertising designed to promote the
15 contractor or its products.

16 “(9) Costs of promotional items and memorabilia,
17 including models, gifts, and souvenirs.

18 “(10) Other cost items identified by regulation
19 which the Secretary of Defense shall prescribe by reg-
20 ulation under this section.

21 “(11) Except as provided in subsection (c), costs
22 for travel by aircraft to the extent that such costs
23 exceed the amount of standard commercial fare for
24 travel by common carrier between the points involved.

1 “(c)(1) Subsection (b)(11) does not apply if travel by
2 common carrier at standard fare—

3 “(A) would require travel at unreasonable hours;

4 “(B) would excessively prolong travel;

5 “(C) would result in overall increased costs that
6 would offset potential savings from travel at standard
7 commercial fare; or

8 “(D) would not meet physical or medical needs of
9 the person traveling.

10 “(2) Subsection (b)(11) does not apply to travel by air-
11 craft other than a common carrier if—

12 “(A) travel by such aircraft is specifically required
13 for contract performance or is otherwise specifically au-
14 thorized under the contract;

15 “(B) travel by common carrier is impractical; and

16 “(C) the travel performed is for business purposes
17 and requires the use of such aircraft.

18 “(3) Costs for air travel in excess of that allowed by
19 subsection (b)(11) may only be allowed by reason of one of
20 the exceptions contained in paragraph (1) or by reason of
21 paragraph (2) if the exception is fully documented and justi-
22 fied, including, in the case of an exception under paragraph
23 (2), full documentation of the use of the aircraft for business
24 purposes.

1 “(d)(1) The Secretary of Defense shall prescribe regula-
2 tions, consistent with the requirements of subsection (b), to
3 establish criteria for the allowability of indirect contractor
4 costs under Department of Defense contracts. Such regula-
5 tions shall be prescribed as part of the Department of De-
6 fense Supplement to the Federal Acquisition Regulation. In
7 developing specific criteria for the allowability of such costs,
8 the Secretary shall consider whether reimbursement of such
9 costs by the United States is in the best interests of the
10 United States and consistent with the requirements of sub-
11 section (b). Such regulations—

12 “(A) shall define and interpret in reasonable detail
13 and specific terms those indirect costs, including the
14 cost requirements of subsection (b), that are unallow-
15 able under contracts entered into by the Department of
16 Defense; and

17 “(B) shall provide that specific costs unallowable
18 under one cost principle shall not be allowable under
19 any other cost principle.

20 “(2) The regulations under paragraph (1) shall, at a
21 minimum clarify the cost principles applicable to contractor
22 costs of the following:

23 “(A) Air shows.

24 “(B) Advertising.

25 “(C) Recruitment.

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1 “(D) Employee morale and welfare.

2 “(E) Actions to influence (directly or indirectly)
3 executive branch action on regulatory and contract
4 matters (other than costs incurred in regard to contract
5 proposals pursuant to solicited or unsolicited bids).

6 “(F) Community relations.

7 “(G) Dining facilities.

8 “(H) Professional and consulting services, includ-
9 ing legal services.

10 “(I) Compensation.

11 “(J) Selling and marketing.

12 “(K) Travel.

13 “(L) Public relations.

14 “(M) Hotel and meal expenses.

15 “(N) Membership in civic, community, and profes-
16 sional organizations.

17 “(3) Such regulations shall specify the circumstances
18 under which clauses (A) and (B) of subsection (c)(1) may be
19 applied.

20 “(4) Such regulations shall require that a contractor be
21 required to provide current, accurate, and complete documen-
22 tation to support the allowability of an indirect cost at the
23 time a proposal for settlement of indirect costs is submitted to
24 the Secretary. If such documentation is not sufficient to sup-
25 port the allowability of the cost, the cost shall be challenged

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1 by the Secretary, and it shall become expressly unallowable
2 and is not subject to negotiation.

3 “(e)(1) The Secretary of Defense shall require that each
4 indirect cost in the contractor’s submission for final overhead
5 settlement applied to covered contracts that is not specifically
6 unallowable under law or regulation and that is challenged by
7 the Secretary as being unallowable shall be considered for
8 resolution as being allowable or unallowable separately from
9 the resolution of other challenged costs. If such challenged
10 cost cannot be resolved as being allowable or unallowable
11 separately, then the settlement may include an aggregate
12 amount for the settlement of all such challenged costs or a
13 settlement of each such cost at less than the amount submit-
14 ted if—

15 “(A) the contractor and the contracting officer
16 cannot agree on the allowability of the cost under ex-
17 isting cost principles;

18 “(B) the contracting officer documents the reasons
19 why an agreement cannot be reached; and

20 “(C) the contractor agrees in writing that costs of
21 that type will not be submitted to the Department of
22 Defense for payment as an allowable indirect cost in
23 the future under that contract or any other contract of
24 the contractor with the Secretary.

1 “(2) The Secretary of Defense shall provide, to the
2 maximum extent practicable, the defense contract auditor be
3 present at any negotiation or meeting with the contractor
4 regarding a determination of the allowability of indirect costs
5 of the contractor.

6 “(f)(1) A contractor that submits a proposal for settle-
7 ment of indirect costs applicable to a covered contract shall
8 be required to certify that all indirect costs included in the
9 proposal are allowable. Any such certification shall be in a
10 form prescribed by the Secretary of Defense.

11 “(2) The Secretary of Defense or the Secretary of the
12 military department concerned may, in an exceptional case,
13 waive the requirement for certification under paragraph (1) in
14 the case of any contract if the Secretary—

15 “(A) determines in such case that it would be in
16 the interest of the United States to waive such certifi-
17 cation; and

18 “(B) states in writing the reasons for that deter-
19 mination and makes such determination available to
20 the public.

21 “(g) The Secretary of Defense shall provide that, in es-
22 tablishing the interim or provisional rates for payment of indi-
23 rect costs to a defense contractor for which final settlement
24 will be made at a later time, such rates shall be based upon
25 amounts incurred by such contractor for indirect costs less

1 any amount questioned by the agency with responsibility for
2 audits of defense contracts.

3 “(h) In this section, ‘covered contract’ means a contract
4 entered into by the Department of Defense for an amount
5 more than \$25,000—

6 “(1) that is flexibly priced; or

7 “(2) for which cost or pricing data is required
8 under section 2306(f) of this title.”.

9 (b) REGULATIONS.—(1) Not later than 150 days after
10 the date of enactment of this Act, the Secretary of Defense
11 shall prescribe the regulations required by subsection (d) of
12 section 2324 of title 10, United States Code, as amended by
13 subsection (a). Such regulations shall be published in accord-
14 ance with section 22 of the Office of Federal Procurement
15 Policy Act (41 U.S.C. 418b).

16 (2) The Secretary shall review such regulations at least
17 once every five years. The results of each such review shall
18 be made public.

19 (c) APPLICABILITY TO SUBCONTRACTS.—The regula-
20 tions of the Secretary of Defense required to be issued under
21 subsection (b) shall require, to the maximum extent possible,
22 that the provisions of section 2324 of title 10, United States
23 Code, as amended by subsection (a), shall apply to all subcon-
24 tractors of any covered contract, as that term is defined in
25 such section.

1 (d) EFFECTIVE DATE.—Section 2324 of title 10,
2 United States Code, as amended by subsection (a), shall
3 apply only to contracts entered into on or after the date on
4 which regulations are prescribed in accordance with subsec-
5 tion (b).

6 SEC. 8101. (a) MULTIPLE SOURCES FOR MAJOR DE-
7 FENSE ACQUISITION PROGRAMS.—(1) Section 2305a of title
8 10, United States Code, as added by section 912 of the De-
9 partment of Defense Authorization Act, 1986, is amended to
10 read as follows:

11 **“§ 2305a. Major programs: development of multiple**
12 **sources**

13 **“(a)(1) The Secretary of Defense may not begin full-**
14 **scale engineering development under a major program**
15 **until—**

16 **“(A) the Secretary prepares a plan for competi-**
17 **tion under the program; and**

18 **“(B) the Secretary submits to the Committees on**
19 **Armed Services of the Senate and House of Represent-**
20 **atives a report describing that plan.**

21 **“(2) Each contract for the development and acquisition**
22 **of the system under the program, and each contract for the**
23 **development and acquisition of a major subsystem under the**
24 **program, shall be awarded in accordance with the plan pre-**
25 **pared under paragraph (1).**

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1 “(3) The report required by paragraph (1)(B) shall be
2 submitted not later than the submission of the budget materi-
3 als the Secretary submits to Congress for the fiscal year for
4 which the initial request is made for appropriations for full-
5 scale engineering development of the program.

6 “(4) If the Secretary proposes to revise a competition
7 plan prepared under paragraph (1) after the report on the
8 plan is submitted under that paragraph, the Secretary shall
9 submit to the committees a report describing the proposed
10 revision. Such a revision may not be implemented until 60
11 days after the report on the revision is received by those
12 committees.

13 “(b)(1) The Secretary shall include in the competition
14 plan for a major program an estimate of whether the market
15 conditions for such system (and each such subsystem) exist
16 such that the Secretary has a reasonable expectation that
17 there will be competitive alternative sources of supply for the
18 system (and each such subsystem) throughout the period from
19 the beginning of full-scale engineering development through
20 the end of production under the program.

21 “(2) If the Secretary’s estimate under paragraph (1) that
22 competitive alternative sources of supply will exist later
23 proves incorrect in that fewer than two responsive proposals
24 are received in reply to a request for proposals, the Secretary

1 shall revise the competition plan in accordance with subsec-
2 tion (c)(1).

3 “(3) A contract for full-scale engineering development
4 or production (including follow-on contracts) under a major
5 program may not be entered into using procedures other than
6 competitive procedures under the authority of clause (1) or
7 clause (7) of section 2304(c) of this title.

8 “(c)(1) In preparing the portions of a plan that are re-
9 quired by subsection (b)—

10 “(A) if the Secretary determines that competitive
11 alternative sources of supply with respect to the
12 system (or a major subsystem of the system) would not
13 otherwise be available throughout the full-scale engi-
14 neering development of the system (or major subsys-
15 tem), the Secretary shall provide in the plan for the
16 award of contracts under the program so as to provide
17 and maintain at least two sources of supply for full-
18 scale engineering development; and

19 “(B) if the Secretary determines that competitive
20 alternative sources of supply with respect to the
21 system (or a major subsystem of the system) would not
22 otherwise be available throughout the production of the
23 system (or major subsystem), the Secretary shall pro-
24 vide in the plan for the award of contracts under the

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1 program so as to provide and maintain at least two
2 sources of supply for production.

3 “(2) If a competition plan includes a provision required
4 by paragraph (1)(B), the plan shall also provide that of the
5 total dollar amount of contracts awarded for a fiscal year for
6 production of the system (or major subsystem)—

7 “(A) the amount awarded to the contractor whose
8 proposal was most advantageous to the United States
9 shall be greater than the amount awarded any other
10 contractor; and

11 “(B) the amount awarded any other contractor
12 shall be sufficient to enable that contractor to compete
13 effectively for the plurality of the next production con-
14 tract for the system (or major subsystem).

15 “(3) The Secretary shall determine which proposal is
16 most advantageous to the United States by considering price
17 and other factors included in the solicitation for proposals for
18 the contract.

19 “(4) The Secretary may waive provisions of a plan re-
20 quired by paragraph (1) if the Secretary determines that the
21 proposal of the contractor submitting the proposal that is the
22 second most advantageous to the United States is not within
23 a competitive range (as determined by the Secretary) of the
24 proposal that is the most advantageous to the United States.

1 “(5) In carrying out this subsection, the Secretary may
2 provide that the requirements of a competition plan are satis-
3 fied even though the contractors do not develop or produce
4 identical systems if the systems developed or produced serve
5 similar functions and compete effectively with each other.

6 “(d)(1) In preparing a competition plan for a major pro-
7 gram, the Secretary (subject to paragraph (4)) may waive the
8 requirements of subsections (b) and (c) with respect to that
9 program if the Secretary determines that the application of
10 those subsections to that program—

11 “(A) would materially increase the total cost of
12 the program; or

13 “(B) would unreasonably delay the completion of
14 the total program.

15 “(2) If the Secretary grants a waiver under paragraph
16 (1), the report submitted under subsection (a)(1) with respect
17 to that program—

18 “(A) shall include notice that such waiver has
19 been made; and

20 “(B) shall set forth the reasons for the waiver, to-
21 gether with supporting documentation of comparative
22 cost and schedule estimates.

23 “(3) The exercise of the authority provided under para-
24 graph (1) shall be made separately with respect to the appli-
25 cation of subsections (b) and (c)—

1 “(A) to full-scale engineering development of the
2 program; and

3 “(B) to production of the program.

4 “(4) The Secretary may not grant a waiver under para-
5 graph (1) if the waiver would cause the total cost of either
6 the major development programs or the major production
7 programs for which all such waivers have been granted to
8 exceed 50 percent of the total cost of all the major develop-
9 ment programs or the major production programs, respective-
10 ly, that enter full-scale engineering development after fiscal
11 year 1986.

12 “(f) In this section:

13 “(1) ‘Major program’ means a major defense ac-
14 quisition program, as such term is defined in section
15 139a(a) of this title.

16 “(2) ‘Major subsystem’, with respect to a major
17 program, means a subsystem of the system developed
18 under the program for which—

19 “(A) the amount for research, development,
20 test, and evaluation is 10 percent or more of the
21 amount specified in section 139a(a)(1)(B) of this
22 title as the research, development, test, and eval-
23 uation funding criterion for identification of a
24 major defense acquisition program; or

1 “(B) the amount for production is 10 percent
2 or more of the amount specified in section
3 139a(a)(1)(B) of this title as the production fund-
4 ing criterion for identification of a major defense
5 acquisition program.”.

6 (2) The item relating to such section in the table of sec-
7 tions at the beginning of chapter 137 of such title is amended
8 to read as follows:

 “2305a. Major programs: development of multiple sources.”.

9 (b) **EFFECTIVE DATE.**—Section 2305a of title 10,
10 United States Code, as amended by subsection (a), shall
11 apply with respect to major defense acquisition programs for
12 which funds for full-scale engineering development are first
13 provided for a fiscal year after fiscal year 1986.

14 **SEC. 8102. (a) CLARIFICATION OF SECTION 917 COST**
15 **AND PRICE MANAGEMENT PROVISION.**—Section 2406 of
16 title 10, United States Code, as enacted by section 917 of the
17 Department of Defense Authorization Act, 1986, is amended
18 to read as follows:

19 **“§ 2406. Cost and price management**

20 “(a)(1) Subject to subsection (d)(2), the head of an
21 agency shall require the contractor under a covered contract
22 with that agency—

23 “(A) to record into appropriate categories the con-
24 tractor’s proposed and negotiated cost and pricing data
25 with respect to work under the contract; and

1 “(B) to record into appropriate categories the con-
2 tractor’s incurred costs under the contract in the same
3 manner as the manner in which the contractor catego-
4 rizes and records such proposed and negotiated cost
5 and pricing data.

6 “(2) The categories into which such proposed and nego-
7 tiated cost and pricing data and such incurred costs shall be
8 recorded include—

- 9 “(A) labor costs;
- 10 “(B) material costs;
- 11 “(C) subcontract costs;
- 12 “(D) overhead costs;
- 13 “(E) general and administrative costs;
- 14 “(F) fee or profit;
- 15 “(G) recurring costs; and
- 16 “(H) nonrecurring costs.

17 “(b)(1) Subject to subsection (d)(2), the head of an
18 agency shall require, with respect to each covered contract
19 under a major defense acquisition program, that the contrac-
20 tor record each proposed or negotiated bill of labor—

- 21 “(A) for labor used by the contractor in manufac-
22 turing the end item under the program; and
- 23 “(B) for labor used by the contractor in perform-
24 ing routine testing relating to the end item.

1 “(2) A contractor that records proposed and negotiated
2 bills of labor with respect to a contract under paragraph (1)
3 shall prepare each such bill of labor to reflect the contractor’s
4 computation—

5 “(A) of the work required in manufacturing parts
6 and subassemblies for the end item under the program;
7 and

8 “(B) of the work required in performing routine
9 testing of such parts and subassemblies.

10 “(3)(A) A contractor preparing a bill of labor required to
11 be recorded under paragraph (1) shall specify in the bill of
12 labor the current industrial engineering standard hours of
13 work content (also known as ‘should-take times’)—

14 “(i) for the work included in each component of
15 the bill of labor; and

16 “(ii) for the total work included in the bill of
17 labor.

18 “(B) The contractor shall base the standard hours of
19 work content specified in the bill of labor on the ‘fair day’s
20 work’ concept, as such term is understood in competitive
21 commercial manufacturing industries in the United States.

22 “(C) The contractor’s standard hours of work content
23 included in the bill of labor may not vary from time standards
24 derived from commercially available predetermined time
25 standard systems widely used in the United States, as deter-

1 mined by the head of the agency, subject to verification by
2 audit.

3 “(4) Subject to subsection (d)(2) of this section, the head
4 of the agency concerned shall require that a contractor that
5 records (under paragraph (1)) a negotiated bill of labor with
6 respect to a contract shall, as work progresses under the con-
7 tract, record—

8 “(A) any difference between—

9 “(i) the actual hours of work expended in
10 performing the work included in each component
11 of the bill of labor; and

12 “(ii) the standard hours of work content for
13 such work specified in the bill of labor pursuant to
14 paragraph (3);

15 “(B) any difference between—

16 “(i) the actual hours of work expended in
17 performing the total work included in the bill of
18 labor; and

19 “(ii) the standard hours of work content for
20 such work specified in the bill of labor pursuant to
21 paragraph (3); and

22 “(C) the bill of labor so as to reflect the work
23 content of the current configuration of the program.

24 “(c)(1) Subject to subsection (d)(2), the head of an
25 agency shall require, with respect to each covered contract

1 under a major defense acquisition program, that the contrac-
2 tor record each proposed or negotiated bill of material—

3 “(A) for material used by the contractor in manu-
4 facturing the end item under the program; and

5 “(B) for material used by the contractor in per-
6 forming routine testing relating to the item.

7 “(2) A contractor that records proposed and negotiated
8 bills of material with respect to a contract under paragraph
9 (1) shall prepare each such bill of material to reflect the con-
10 tactor’s computation—

11 “(A) of the material required for manufacturing
12 parts and subassemblies for the end item under the pro-
13 gram; and

14 “(B) of the material required for routine testing of
15 such parts and subassemblies.

16 “(3) The costs set out in such a bill of material shall be
17 expressed in current dollars.

18 “(4) Subject to subsection (d)(2), the head of the agency
19 concerned shall require that a contractor that records a nego-
20 tiated bill of material with respect to a contract under para-
21 graph (1) shall, as work progresses under the contract,
22 record—

23 “(A) any difference between—

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1 “(i) the costs incurred by the contractor for
2 material used by the contractor in manufacturing
3 the end item under the program; and

4 “(ii) the costs for such material specified in
5 the bill of material;

6 “(B) any difference between—

7 “(i) the costs incurred by the contractor for
8 material used by the contractor in performing rou-
9 tine testing relating to the item; and

10 “(ii) the costs for such material specified in
11 the bill of material; and

12 “(C) the bill of material so as to reflect the work
13 content of the current configuration of the program.

14 “(d)(1) Nothing in this section prohibits a contractor
15 from submitting to an agency a request for payment or reim-
16 bursement for any bill of labor or any bill of material devel-
17 oped pursuant to an approved system of cost principles and
18 procedures.

19 “(2) This section does not authorize or require the head
20 of an agency to require the recording by a contractor of infor-
21 mation under this section if the contractor does not otherwise
22 maintain the information to be recorded—

23 “(A) under section 2306(f) of this title or some
24 other provision of law (other than this section) or regu-
25 lation;

1 “(B) under the terms of a contract provision re-
2 quired under any such law or regulation; or

3 “(C) for its own management purposes.

4 “(e) In this section:

5 “(1) ‘Agency’ means the Department of Defense,
6 the Department of the Army, the Department of the
7 Navy, or the Department of the Air Force.

8 “(2) ‘Covered contract’ means a contract that is
9 awarded by an agency and that is subject to the provi-
10 sions of section 2306(f) of this title, including contracts
11 for full-scale engineering developments or production.

12 “(3) ‘Major defense acquisition program’ has the
13 meaning given that term in section 138(a)(1) of this
14 title.”.

15 (b) APPLICABILITY OF SECTION.—Section 2406 of title
16 10, United States Code, as amended by subsection (a), shall
17 apply with respect to—

18 (1) contracts in effect on the date of the enact-
19 ment of this Act;

20 (2) contracts entered into on or after such date;
21 and

22 (3) a contract completed or otherwise terminated
23 before such date under a major defense acquisition pro-
24 gram that is in existence on such date, if the contract
25 was with a contractor with whom the Department of

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- 1 Defense (including the military departments) has a con-
- 2 tract under such program on or after such date.
- 3 This Act may be cited as the "Department of Defense
- 4 Appropriation Act, 1986".

Union Calendar No. 197

99TH CONGRESS
1ST Session

H. R. 3629

[Report No. 99-332]

A BILL

Making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes.

OCTOBER 24, 1985

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed